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ACCIDENT AND CASUALTY INSURANCE COMPANY

of Winterthur, Switzerland

UNITED STATES HEAD OFFICE • 111 JOHN STREET, NEW YORK CITY

THURSDAY, NOVEMBER 26, 1942

FIRE · MARINE · CASUALTY · SURETY

Loyalty Group

I N S U R A N C E

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Insurance can be counted on to do its part—to protect life, property and production.

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John R. Cooney
President



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Organized 1855

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The Concordia Fire Insurance Co. of Milwaukee
Organized 1870

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Organized 1852

Royal Plate Glass & General Ins. Co. of Canada
Organized 1906

The Metropolitan Casualty Insurance Co. of N. Y.
Organized 1874

Commercial Casualty Insurance Company
Organized 1909

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Southwestern Dept.
912 Commerce St.
Dallas, Texas

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Canadian Departments
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404 West Hastings St., Vancouver, B. C.

Foreign Department
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New York, New York

Pacific Department
220 Bush St.
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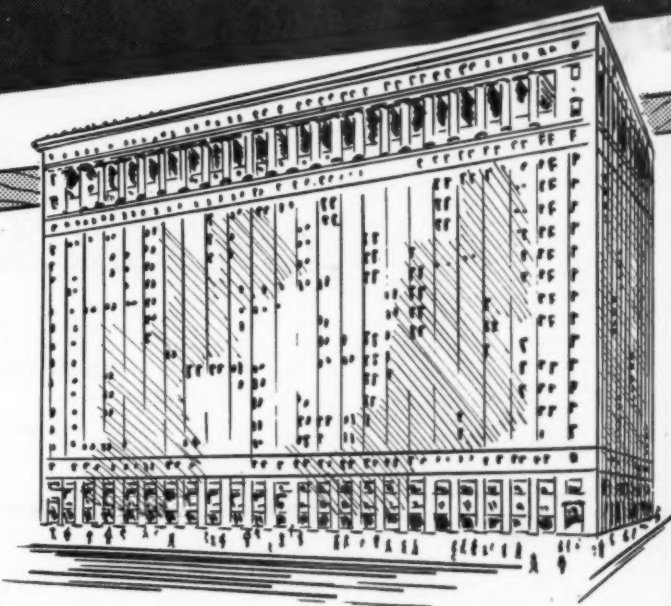


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The NATIONAL UNDERWRITER

Forty-sixth Year—No. 48

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, NOVEMBER, 26, 1942

\$4.00 Year, 20 Cents a Copy

Italians May Carry War Damage Cover, Other Rule Changes

Mortgage Rule Broadened, Securities Cover Extended, Railroad, Oil Rules Revised

WASHINGTON—War Damage Corporation has ruled that Italian, Bulgarian, Hungarian and Roumanian citizens who do not reside in and are not doing business in enemy territory or enemy occupied territory may now be protected by war damage insurance. This leaves German and Japanese nationals as the only "enemy aliens" within the meaning of W.D.C. rules.

A number of other changes were also made in memorandum No. 16 to fiduciary agents, dated Nov. 17, including a further extension of the recent rule on money and securities shipped by registered mail, cancellation of insurance on mortgage interests where there is double coverage and new rules on oil producing properties and railroad and street railway properties.

Eases Previous Alien Rule

The rule on enemy aliens, announced about two months ago, provided that every policy should be stamped to provide that it would be null and void to the extent that it purported to cover property owned, directly or indirectly, by a national, including any person, real or juridical of any country with which the United States is at war. The revised rule, which is in harmony with the recent proclamation of Attorney-general Biddle that Italians shall no longer be considered enemy aliens, changes the stamped legend to refer to a "national of Germany or Japan." The revised legend also states that this expression is intended to include nationals or former nationals of these countries, wherever they reside, whether or not they have lost their German or Japanese citizenship and whether or not they have filed first papers for American citizenship.

The memorandum also provides that mortgagees and other persons holding a financial interest by way of security in property in which German or Japanese nationals are interested may be covered to the extent of their interest provided they subrogate their rights against these parties to War Damage Corporation in the event of loss.

Registered Mail Extension

The rules on coverage of money and securities sent by registered mail and express, which were recently liberalized by memorandum No. 15 to permit covering shipments by federal reserve banks or branches, are further extended to cover, at the assured's option, shipments made by any third parties under the assured's direction. This is specifically intended to cover the various practices of banks and other financial institutions in

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Commissioners' Meeting Schedule

Read to Present Important Proposal to Committee on Examinations

OKLAHOMA CITY—Commissioner Read states that the meeting of the examinations committee Monday afternoon in connection with the meeting of the National Association of Insurance Commissioners in New York Nov. 29-Dec. 1 will be especially important.

At Jackson, Miss., Nov. 11-12, the following resolution was adopted by a group of southern commissioners:

"If an examination is called on a company doing business in four or more states in the zone and which has a total premium income of \$250,000 or more in the zone, then the zone chairman is authorized and directed by the zone commissioners to request zone representation and to make assignments as usual under the rules; provided that the same course be followed if the minimum of \$100,000 in premiums is written in one of the four or more states, even though the aggregate in premiums be under \$250,000 in the zone.

Resolution Referred to Mr. Read

"This action was taken solely with the idea of maintaining the integrity of representation under the zone system, and the cooperation of all other states is invited to insure representative participation either on this plan or some modification thereof." This resolution was referred to Mr. Read with the request that he bring it up for consideration of the examinations committee.

Mr. Read recalls that at Des Moines in December, 1938, a resolution was adopted providing that where a company is examined under the convention plan and rules, that all zones in which a company had \$1,000,000 or more premium income should participate.

This resolution provoked heated discussion at Des Moines and at a subsequent meeting in Chicago, the action of the examinations committee was rescinded.

Difference in Recommendations

Mr. Read explains that the difference in the recommendation of the committee in zone 3 is that its resolution provides that a zone in which a company has premium volume of \$250,000 or more in four states should be represented. A further difference, he pointed out is that if a company had a minimum of \$100,000 in any one of four states, that zone should participate.

Mr. Read will present the matter for discussion at the New York meeting.

The schedule of committee meetings and general sessions for the meeting is:

Sunday, Nov. 29

3 p. m.—Executive committee executive session with attendance limited to members of committees, other commissioners and insurance department representatives.

4 p. m.—Public session of executive committee.

7:30 p. m.—Sub-committee on taxation to discuss taxation of marine premiums. Seth B. Thompson, Oregon, chairman.

8:30 p. m.—Opening session of N.A.I.C. with welcoming formalities, president's

Hilgemann Assails DPC Arrangement

Milwaukee Agency Leader Objects to Terms Granted Federal Agency

L. C. Hilgemann, prominent local agent of Milwaukee and a leader in or-

ganization affairs, has addressed a memorandum to the individual companies expressing displeasure at the action that was taken at the instance of the Defense Plant Corporation to reduce the rates on DPC risks 10 percent and to pay a commission of only 5 percent on such business. Heretofore, he states, the agents were paid 15 percent on the business and hence the net reduction in their income is 66 2/3 percent.

Says Agents Not Heard

Mr. Hilgemann states that the agents were not given an opportunity to be heard. He says that he disagrees with the theory advanced by the DPC that the business does not require service and that there is no competition involved in obtaining the business. The agents, he declared, must give advice

(CONTINUED ON PAGE 11)

remarks, roll call of states, other business.

9 p. m.—Executive committee session if necessary.

Monday, Nov. 30

9 a. m.—Committee on compensation, Morvin Duell, Wisconsin, chairman.

9 a. m.—Sub-committee on industrial life insurance, Charles F. J. Harrington, Massachusetts, chairman.

10 a. m.—Committee on interstate rating, Louis H. Pink, New York, chairman.

11 a. m.—Committee on valuations, Plnk, chairman.

12:30 p. m.—Luncheon.

2 p. m.—Committee on real estate appraisals and forms, Harrington, chairman.

3 p. m.—Committee on examinations, Jess G. Read, Oklahoma, chairman.

4 p. m.—Session of N.A.I.C.; special order of business, consideration of the report of the committee on non-forfeiture values.

8:30 p. m.—Executive committee session if necessary.

Tuesday, Dec. 1

9 a. m.—Committee on fire and marine insurance, George A. Bowles, Virginia, chairman.

10 a. m.—Committee on law and legislation, C. C. Frazer, Nebraska, chairman.

10 a. m.—Committee on casualty and surety, Arthur J. Rouillard, New Hampshire, chairman.

11 a. m.—Committee on uniform countersignature laws, Harrington, chairman.

12 noon—Closing session of N.A.I.C., reports of committees, other business, adjournment.

1 p. m.—Convention luncheon.

2:30 p. m.—Executive committee session if necessary.

Indictment of S.E.U.A. Causes Shock and Surprise

Atlanta Grand Jury Acted Before Decision Given on Records

The indictment of the Southeastern Underwriters Association, its officers, executive committee members and rating bureau managers in five states by the federal grand jury in Atlanta came as a shock and surprise. The feeling had prevailed that the grand jury would take no action prior to Dec. 14, when there was scheduled a hearing before Federal Judge Underwood on the motion of the 13 insurance organizations involved to quash the subpoenas calling upon them to produce a mass of records for the grand jury. Just a few days before the indictment was announced, Judge Underwood had issued a protective order in favor of the insurance organizations which meant that they were relieved of the necessity of supplying the records at least until Dec. 14. But the grand jury returned the true bill without reviewing the records at issue.

There has been no hint given of the possible action of the government and the grand jury towards the other 12 insurance organizations against which the government is proceeding. It may be that the government has decided to concentrate on the S.E.U.A. and will cease any effort to have the other organizations indicted. The other alternatives would seem to be to seek an indictment of the other organizations individually or else to have them indicted as a group. If there should be further indictments on an individual basis, then the possibility is seen that the trials, if held, would have to be in each of the federal districts in which these organizations are located.

Dec. 14 Hearing

Just what significance the hearing Dec. 14 will now have is puzzling. Insofar as the S.E.U.A. is concerned it would seem to be meaningless since the grand jury decided to indict that organization without looking at its records which the government desired to have produced. If by Dec. 14, the other organizations have not been indicted and the grand jury is still seeking their indictment, then, of course, it would still be desirable to get a decision relieving them of the necessity to produce their records for the grand jury.

Whether the S.E.U.A. will now simply decide to prepare itself for trial or will bring a motion to quash the indictment remains to be seen. If a motion is brought to quash the indictment it is entirely possible that much the same arguments would be advanced that were brought out in supporting the motion to quash the subpoenas for the records,

(CONTINUED ON PAGE 10)



L. C. Hilgemann

Minn. Agents Seek Collision Rate Cut

**Also Want 80-20 Form—
Agent's Part in Wartime
Economy Is Forum Topic**

ROCHESTER, MINN.—Immediate consideration by the National Automobile Underwriters Association of collision rates in Minnesota, with a view to a sharp reduction comparable to the cut in liability rates and adoption of the 80-20 collision form were urged at the annual "open house" joint meeting of the Southern and Southeastern Minnesota Agents Regional Associations here. About 80 agents and field men attended.

A brief but lively debate on the collision rate, with both agents and field men participating, brought to a close a three-hour program emphasizing the insurance agent's place in a wartime economy. Arthur Hirman, Rochester, past president of the Minnesota Association of Insurance Agents; E. F. Westrum, Albert Lea, and Frank Preston, Minneapolis, argued for a cut in collision rates and for adoption of the 80-20 form, on the ground that present high collision rates are losing the companies their best risks and retaining mostly those that are exposed to collision hazards.

Company Men Oppose Cut

Merrill Rolfson, Austin, said he could see little advantage in the 80-20 form as compared to the collision policies now offered and E. H. Huhnke, Minneapolis manager of Maryland Casualty, took the view that if there is any change in collision rates they should go up. Nick Dekker, state agent Fidelity-Phenix, gave some recent loss ratio figures on collision insurance.

Mr. Hirman's motion calling for some action by the companies ended the debate and was adopted without a dissenting vote. "The ball is rolling in this direction; let's keep it rolling," he said. Some months ago the southern Minnesota agents launched a drive for the 80-20 form but recently the matter has been quiescent.

Pushing new and neglected lines to make up for war-time dislocations of the casualty business was urged by Mr. Huhnke in one of the headline talks of the afternoon. He suggested more attention to such coverages as fidelity and surety, boiler, burglary, accident, personal liability and loss.

"Standard lines have come too easy to some agents; they don't want to bother with the less active coverages," Mr. Huhnke said. He predicted a material reduction in automobile volume. To offset this he suggested the agents turn to the manual for miscellaneous lines. "I believe you will find a big field, hardly scratched as yet."

War Effort Is No. 1 Job

As to the agent's role in the wartime economy, Mr. Huhnke said his No. 1 job is to exert every possible effort in the war effort. He should guard his own health; buy war stamps and bonds as liberally as possible from his savings; assist in all local drives and cooperate fully with companies and adjusters in handling claims, especially the minor ones. Gas rationing is going to handicap and delay adjusters; agents should explain this to their assured. They should also take over some of the safety engineering work by observing and reporting hazards. He urged agents to push collections; try to get the premium in whole or in part when the policy is delivered.

Motor truck cargo losses continue to furnish the largest percentage of his company's inland marine business and

(CONTINUED ON PAGE 29)

Maryland Head



PRESLEY D. BOWEN

P. D. Bowen of Baltimore, the new president of the Maryland Association of Insurance Agents, is president of the agency of Poor, Bowen, Bartlett & Kennedy. He has been associated with insurance during his entire life. His agency started in May, 1932, having purchased the previous agency of Poor & Alexander. The partners aside from Mr. Bowen are J. D. Bartlett and A. J. Kennedy, vice-presidents. The firm conducts a general agency business for Maryland as well as doing a local agency business in Baltimore.

Poor, Bowen, Bartlett & Kennedy are general agents in Maryland for the London Assurance, State of Pennsylvania, American Underwriters, New York Underwriters, Royal Indemnity, United States Casualty, United States Fidelity & Guaranty, Pacific Mutual Life for accident and health insurance.

Bankers Are Buying Rent Cover for Estates

Local agents who have been pushing the sale of rent insurance in these times have been successful in getting bankers in their capacity as trustees of estates that include income properties to buy such insurance. The bankers are impressed with the argument that should there be a loss and should income of the property be shut off, the trustee might be subjected at least to severe criticism for not having purchased rent insurance in these particular days. There have been some important sales of rent insurance in this way.

To Permit Use of Recovered Tires in Settling Losses

NEW YORK—By obtaining permission from the rationing authorities in each case, fire companies will be able to use recovered stolen tires to replace the tires on insured stolen cars which are later recovered stripped of their tires. This question has been puzzling automobile loss men for some time. From opinions just received from the rationing authorities, however, it appears that there will be no difficulty in obtaining the necessary permission.

On the other hand, it is now definite that companies will not be permitted to use these recovered stolen tires on their own fleet cars which their engineers and other personnel use on company business. Another complication is that if the company has trucks in its fleet which use tires the same size as any of its passenger cars then it can retain only five tires for each of these trucks. However, if the trucks' tire sizes are not the same as those of the passenger cars it is allowable to keep more than five tires per truck and use them for replacements as existing tires wear out.

U. S. Insurers Not Likely to Enter Mexico Directly

NEW YORK—Despite the large flow of American capital into Mexican enterprises of late, and the strong probability that such investments will continue so long as the present stable government remains in power in Mexico, it is unlikely that any American fire company will enter the country, and for two primary reasons—the requirement that foreign organizations invest their reserves on Mexican business in securities of the country, and that individual line acceptances be limited to 10 percent of such investment. While there would be no particular objection by American companies to holding Mexican bonds in modest amount, the limited risk acceptances allowed, underwriters feel, would not justify their operating directly in the country. All Mexican properties are now insured through home companies, which reinsure rather freely, however, with institutions of other countries.

Crum & Forster Change in West

Arthur M. Morris, superintendent of the Crum & Forster brokerage department in the western department at Freeport, Ill., has enlisted in the army and is stationed at Fort Lewis, Wash.

Mr. Morris has been succeeded by E. B. Kaufman, superintendent of the automobile department. Mr. Kaufman will now supervise both the automobile and brokerage departments.

Louisville F. & M., Wm. Penn Changes

**Kentucky Company to
Write Participating; Rhode
Island Buys Pa. Insurer**

LOUISVILLE—Following the recent sale by Rhode Island of its stock of Louisville F. & M. to a syndicate headed by C. G. Tachau of Louisville, G. R. P. Farquhar of Rio de Janeiro, and Stewart B. Hopps of New York, Louisville F. & M., it is understood, intends to issue participating policies in Colorado, Utah, Wyoming, New Mexico, Florida, North Carolina and Pennsylvania, the laws of which permit such procedure. Business under the participating plan will be restricted to mercantiles, dwellings, apartments and office buildings, upon each of which classifications the loss experience of the company has been favorable. Contemplated dividends are 20 percent. At present Louisville F. & M. is licensed only in Kentucky and Rhode Island.

Increase Wm. Penn Resources

Following the sale of its shares of Louisville F. & M., Rhode Island purchased all the stock of William Penn Fire and will increase the capital of the company from \$200,000 to \$250,000, and add \$100,000 to net surplus. This will be accomplished through the sale of 2,000 shares of new stock of the par value of \$25 per share, at \$75. Once this move is consummated and the minimum capital requirement under the New York law so complied with, the company will seek admission to New York.

Earned Commissions Not Allowed as Tax Base

In view of the fact that the commission income of many agents, on a written basis, has been abnormally swelled this year by the placing of large three and five-year policies on risks that are enjoying wartime prosperity, some agents have investigated the possibility of paying income taxes on the basis of commissions earned instead of on commissions written. The answer is that this cannot be done.

It is understood that there are a very few offices throughout the country that from the time of the enactment of the income tax law have used the accrual basis and have reported commissions earned on premiums actually collected. That, it is said, is acceptable to the government but it is not permissible for an agency that has been on a cash basis to switch over to the accrual basis. The government is extremely severe in disallowing reserves to the taxpayer in his tax calculations and to report commissions on an earned basis is tantamount to claiming credit for reserve for unearned commissions. Some agents have become so convinced that the commissions earned basis is the proper pattern to be applied that they have suggested trying to get government approval of such a procedure. However, most agents who have looked into the matter and have discovered that it can't be done, are accepting the situation. Also there is the consideration that with the strong probability of even higher tax rates ahead, it might prove advantageous to pay the entire tax in 1943.

Field Men Entertain Women

The Southern California Fire Underwriters Association sponsored the program at the meeting of the San Diego Insurance Women in connection with the "bosses' night." The skit "An Agent's Dilemma" was presented by V. W. McKinney, America Fore; Charles E. Curry, Providence-Washington; A. C. Heriot, Providence-Washington; A. N. Bushnell, Fireman's Fund, and Raymond Needham, Glens Falls Indemnity.

THIS WEEK IN INSURANCE

War damage corporation makes Italian, Bulgarian, Hungarian and Roumanian citizens eligible for insurance and revises other rules. **Page 1**

Federal grand jury in Atlanta in surprise move returns indictment of Southern Underwriters Association. **Page 1**

Schedule of committee meetings and general sessions at convention of National Association of Insurance Commissioners is set forth. **Page 1**

L. C. Hilgemann, prominent local agent of Milwaukee, expresses opposition to the insurance terms that have been granted to the Defense Plant Corporation. **Page 1**

H. J. Burlingame of Western Adjustment views U. & O. and rents insurance from loss angle. **Page 3**

Fire hazards grow because of serious overcrowding of living quarters. Situation in Baltimore is described. **Page 4**

Louisville F. & M., which was sold by Rhode Island to a syndicate, will write participating policies; William Penn Fire stock is purchased by Rhode Island and its capital is increased. **Page 2**

Minnesota agents ask reduction in collision rates; hold forum on wartime problems. **Page 2**

Give more attention to social insurance, R. H. Blanchard urges in Casualty Actuarial Society presidential address. **Page 15**

Casualty Actuarial Society holds annual meeting; will drop spring meeting for duration. **Page 15**

The several decisions that have already been rendered under the soldiers and sailors civil relief act introduce much confusion. **Page 15**

Massachusetts companies writing non-cancellable accident and health agree on plans for reinstatement of policies of service men after they are demobilized. **Page 15**

Considerable interest is being taken in the report that the gasoline rationing decree in all sections of the country as of Dec. 1 may be deferred three months. **Page 17**

Mackubin, Legg & Co. strongly urges stockholders of Manufacturers Casualty to accept purchase offer of Commercial Credit Company. **Page 16**

Authoritative Word on Rebuilding After Fire Is Given

**Predict Assured Will
Have Increasing Diffi-
culties Following Loss**

By ROBERT B. MITCHELL

NEW YORK—Priorities restrictions have tightened up decidedly in the last few weeks and there is every indication that they will become even stricter, with the result that insured are going to find it increasingly difficult to obtain materials needed for reconstruction after a fire unless the damaged structure is essential to the war effort or to civilian health or safety. Actual scarcity of materials in dealers stocks is often a serious problem even though all government requirements have been met.

For residences housing not more than five families there is technically no limit on reconstruction following fire if it can be completed without priorities assistance. As a practical matter, however, there is a \$6,000 ceiling on reconstruction cost whether the destruction is partial or total, for in any sizable loss some priorities assistance would be needed and the WPB's policy is to apply the \$6,000 new construction limit of the war housing standards to all priorities requests in connection with residence fire loss repairs.

The situation is much more acute with respect to commercial and industrial properties because of the relatively large amounts of essential materials ordinarily needed to make repairs after fires. The home owner whose dwelling is damaged by fire will not be in such a tough spot. Usually some priorities assistance would be needed but while certain critical materials cannot be obtained substitutes for these are available and the amount usually needed to repair most residential fire losses is so small that permission is normally granted even though these substitute materials are also subject to priorities.

Housing Shortages a Factor

Where the dwelling is rented priorities assistance would probably also be given particularly if the house were located in an area with a housing shortage. Dwellings housing not more than five families may be reconstructed after a fire without permission of the War Production Board if the work can be completed with materials on hand or which can be obtained without priorities assistance.

Insurance men attempting to explain to the insured his position under the various federal regulations in the event of a fire loss may justifiably feel that the situation is somewhat complicated. It must be borne in mind that there are two hurdles for the insured to surmount in the event of a loss. The first of these is priorities. If he needs materials on the restricted list he must seek priorities assistance via form PD-200, no matter what the estimated cost of repairs. An exception is construction lumber. Under order M-208 an owner repairing a building after damage by fire automatically has an AA5 priority, a higher rating than the former A-1-A. This is not considered to be priorities assistance.

Classifications Are Given

The second hurdle is construction order L-41 which prohibits any type of construction unless it comes under the specified exceptions or is given the green light after application has been made to the War Production Board. Following

(CONTINUED ON PAGE 29)

Rebukes Insurers for "Extending" E. C. Coverage

The New York Fire Insurance Exchange has notified its members that the arbitration or grievance committee has expressed the opinion that it is a violation for any company or writing office to modify or extend the coverage of the extended coverage endorsement and it requests any company or writing office that has given any such advice to withdraw or cancel them.

The committee took cognizance of the fact that some companies through public advertisements or other methods have given to assured and brokers advice modifying or extending the extended coverage endorsement with respect to possible damage by aircraft incidental to war which is not covered by the War Damage Corporation policy.

The arbitration or grievance committee reached this conclusion notwithstanding the fact that it has been advised that a revision of the war risk exclusion clause of the extended coverage endorsement is being considered. The companies and writing offices are expected to await the outcome of such consideration, the exchange notifies its members.

Loss Record in N. Y. Traced

NEW YORK—From data supplied by the National Board the New York department has prepared a table showing the 1941 premiums and loss ratio upon the fire coverage on buildings in this city, and also upon those in the balance of the state classified according to the construction of the properties. Premiums written with loss ratios follow:

	Premiums Written	Loss Ratio
New York City		
Brick protected.....	\$17,998,547	47.8
Frame protected.....	3,461,471	47.6
Fireproof protected...	4,802,440	28.4
Totals.....	\$26,262,458	44.2
New York State (excl. N.Y.C.)		
Brick protected.....	\$10,382,902	34.4
Frame protected.....	16,687,056	37.5
Brick and frame un- protected.....	7,117,427	48.5
Fireproof protected...	1,263,134	25.1
Totals.....	\$35,450,519	38.3
Premiums and losses on allied lines were:		

	Premis. Written	Losses Paid	Loss Ratio
N. Y. City			
Rents.....	\$243,720	\$65,667	26.94
Leasehold.....	6,088
U. & O.....	378,569	92,443	24.42
Profits & com.....	23,656	3,701	15.64
Extra exp.....	403
State, exclusive of N. Y. City			
Rents.....	105,101	27,358	26.03
Leasehold.....	5,817	3,532	60.72
U. & O.....	395,587	94,544	23.90
Profits & com.....	4,061	351	8.64
Extra exp.....	2,326

Insurance Professors Call Off Annual Convention

PHILADELPHIA — The American Association of University Teachers of Insurance has called off its convention, scheduled for the last week in December in Cleveland. Dr. C. A. Kline, University of Pennsylvania, secretary of the association, notified members that the executive committee made the decision unanimously after polling the members. The association will attempt to secure papers on important topics and publish them as the 1942 "proceedings."

Early in the fall, the Office of Defense Transportation informed the American Statistical Association, of which the insurance teachers group is a unit, that there was no objection to holding the convention. The war time speedup of college schedules, however, and the additional activities which many of the insurance teachers have undertaken made it impossible for most of them to attend and hence the insurance group reconsidered its decision.

Views Use and Occupancy Situation from Loss Angle

The coverages that are giving adjusters the most concern nowadays are those dealing with protection of income, such as use and occupancy and rents insurance. J. H. Burlingame, assistant general manager of Western Adjustment, Chicago, said in his talk on "Things as They Are Today," at the meeting of the Association of Fire Insurance Examiners of Chicago. It was managers' night, and many western department executives turned out for the affair. More than 100 attended. A. G. Sutter, America Fore, president of the association, introduced E. A. Henne, vice-president of America Fore, who presented the speaker.

As it has worked out, extra expense coverage seems to supplement, and not to replace U. & O., Mr. Burlingame said.

Much Underinsurance

One of the difficulties that insurance has faced during the emergency period is that businesses moved along so rapidly the insurance could not be kept up to date. Consequently, there have been some startling examples of underinsurance. This is a problem that has to be worked out with assured. If assured does not tell the agent or company, the latter cannot bring the protection up to date. But if someone doesn't ask him whether his insurance is adequate, he is not apt to tell the company.

Later on, Mr. Burlingame suggested, another factor may have an important effect on U. & O. This is the renegotiation of war contracts, machinery for which the government has set up in order to recapture "excessive profits."

Mr. Burlingame does not believe that underinsurance will be such a problem in the future since indications are that a peak is being reached in industrial production facilities. If values are brought up to date now, they should be adequate in amount, or nearly so, for some time.

Priorities, of course, he said, have a considerable bearing on the possibility of loss under U. & O. and rent insurance. Priorities do not always mean what they say. Even if assured has a

very high priority rating, the basic manufacturer on whom he has to rely may not be able to do the work for insured, even if he wants to.

In 1917 there were some wonderful repairs made on damaged equipment when new equipment was not available, Mr. Burlingame said. Industry is going through a similar period now. There is great resourcefulness on the part of insured, who are in many instances accomplishing the impossible to get back in production.

To manufacturers today, the big objective is to get going. Assured may have to scout over the country to find equipment that he can use, but he is willing and anxious to do this.

Last year Mr. Burlingame briefed 100 outstanding use and occupancy losses that had occurred during a period of 25 years. Several important points stood out as a result of this analysis. There were few if any losses involving raw or processed stock; that is where production depended entirely on this. There have been few successful uses of other property, unless it is possible to buy a going plant. Appraisals of U. & O. losses have not proved satisfactory.

Won't Give Up Production

More losses become problems of extraordinary expenses in these times because the manufacturer will not give up any more production than is absolutely necessary. If assured really has something to lose, he will be busy before the adjuster gets there on ways and means of putting the plant back in working order.

Priorities must be faced and accepted as normal in these times, he said. "Due diligence and dispatch" must take into consideration removal of debris, planning, etc.

The immediate future may look quite gloomy to many people, including those in the insurance business, but Mr. Burlingame expressed the thought that possibly people have been living too easily. It is, he said, "good for us to have to polish up on our fundamentals, learn to be fit, competent, and tough."

Congressman Ellis Is Feted by Insurance Men

Hubert Ellis of Huntington, who has just resigned as secretary of the West Virginia Association of Insurance Agents, was honored at a testimonial dinner in his city by the insurance group in view of the fact that he has been elected to Congress. Mr. Ellis has now resigned as secretary of the association and the executive committee has named Ray Evans of Bluefield, state president; W. G. Caperton of Charleston and C. W. Thornburg of Huntington to select a successor.

The principal speakers were Mr. Evans and Mr. Ellis. Frank S. McIntosh, president of the Huntington local board, presided and then turned the meeting over to Arch Keller of Huntington, who served as toastmaster.

Adds Humorous Touch

Mr. Evans kept the audience in an uproar when he undertook to make Mr. Ellis' maiden speech in Congress.

Mr. Evans presented to Mr. Ellis a traveling bag as a gift from the state association. The meeting was a spontaneous expression of the respect in which Mr. Ellis is held by his competitors and fellow agents locally and state-wide.

Out-of-town guests who attended and were called upon for brief talks were Frank R. Bell of Charleston; Robert D. Watts of Beckley; John Kisner of South Charleston; Blain Miller, Thomas Clovis and Fred Summers of Parkersburg, and Vic Sellers of Mullens.

Fire Training Conference Set for Memphis, Jan. 5-8

The fire department instructors' conference, sponsored jointly by the fire prevention department of the Western Actuarial Bureau and the Memphis fire department will be held this year in Memphis, Jan. 5-8. R. E. Vernor, head of the W.A.B. fire prevention department, is now working on the program with the others interested in the conference.

C. R. Welborn, secretary of Underwriters Laboratories, will discuss "Romance Behind Testing for Safety." Other subjects on the agenda include manpower shortage and fire services, priorities and fire apparatus, plant fire inspection, rural fire protection, fighting fires in country elevators, etc.

New Coast Reciprocal Licensed

Fire Insurance Exchange, newly organized reciprocal affiliated with Farmers Inter-Insurance Exchange of Los Angeles, has received its license. The exchange has a surplus of \$150,000. Attorney-in-fact is the Fire Underwriters Association, of which John C. Tyler is president and Maurice V. Pew, secretary. It will write fire, marine, plate glass, burglary, sprinkler, aircraft and miscellaneous lines.

E. G. Frazier, vice-president Springfield Fire & Marine, western department, Chicago, has been visiting company field men in Texas.

Fire Hazards Grow with Overcrowding

Situation in Baltimore, Which Is Typical, Shows Seriousness of Problem

The housing situation in Baltimore and in the surrounding metropolitan area now represents a serious problem to building, health, and fire authorities. Baltimore for years was the center of much heavy industry, and war has brought a tremendous expansion. Thousands of new workers poured into the area in the past year, and in spite of recent federal efforts to slow down the migration because of the housing shortage, the war plants still attract large numbers of workers.

From a fire standpoint, the situation has not become too grave but offers some very serious potential hazards. The principal difficulty is due to the congestion of the older type dwelling and tenement houses with numerous roomers and sub-apartments. The blame does not altogether lie with the landlords, many workers preferring to live in cheaper and substandard quarters close to their work than in the outlying suburban sections which have not reached the occupancy saturation point.

Electric Circuits Overloaded

Tenants in many apartments designed for small families have been found to be subletting rooms and basements that were never intended for human occupancy. Such congestion of course increases the electrical fire hazard due to extension cords and overloaded circuits.

During the past winter, portable oil heaters were one of the principal causes of fire and resulted in some death cases. Smoking in bed by defense workers is one of the major problems with which the fire insurance agencies have to deal. With no easy chair or sitting room it is logical for a tired shipyard worker to read and smoke in bed, which is the only "easy chair" in the place. These mattress claims vary from small burned holes to total destruction of the room, with many cases of near fatal personal injury. Several months ago a family of five children was burned to death in one of the older row-type houses in the downtown section of the city. The chief of the fire department has issued a public warning with precautionary suggestions.

Inexperienced Help Causes Fires

It is expected that fuel oil burners and chimneys will cause trouble this winter due to the lack of experienced help in the service organizations of the heating and fuel companies. One recent loss was caused by the explosion of a blowtorch being used for "disinfecting" a bed spring. It is doubtful whether the vermin were destroyed by the explosion, but considerable damage was done to the building. Unfamiliarity with household electrical devices is another source of nuisance losses.

In addition to the fire hazard, the automobile congestion has not dropped in proportion to the national average of reduction in driving. The public transportation facilities of bus, street car, and taxi are not at all capable of supplying the wartime transportation demands of Baltimore; therefore a large number of automobiles are still in use with B and C ration classifications; and innumerable small but troublesome property damage and collision cases still are coming in. In addition to this, a great many drivers are from out of state and are not equal to the complexities of metropolitan traffic. Large numbers of them still drive with their rural background and small town traffic conditions in mind. Many of the newcomers as pedestrians completely ignore traffic lights with resulting near misses.

There is a bright side to the picture, however. Increased premium receipts

Great Need to Increase Household Goods Cover

Fire insurance agents and brokers can do their assured a service during these unusual times by calling their attention to the fact that the rise of retail costs and the difficulty of replacements have almost invariably made their dwelling and household goods coverages inadequate.

There was a time when partial coverage was sufficient because of the extremely low incidence of total loss, but now if only two or three rooms in a home are burned out the loss may easily exceed the coverage on the entire set of furnishings. The problem becomes even more serious in war times, when many fire departments are undermanned and unable to cope with too difficult fires.

Although there may be practically nothing in the way of premiums or commissions arising from this action, it affords a means of opening the door to other lines. Moreover, it is a part of the service that insurance was designed to render. According to company and agency men specializing in this field, the situation is peculiar in that a family will buy, on the average, \$1,500 of household goods coverage when a home is first occupied, and 20 years later will still be carrying the same amount, regardless of changing values and additions in the way of silverware, glassware, rugs, etc.

Partial Loss Problem

This problem is not acute in normal times, but when values rise as they have in the past two years and replacements become difficult, the householder is likely to have insufficient insurance even for partial losses.

Several factors enter into the picture of calling the need for additional coverage to the assured's attention: the purchase of war damage insurance has caused thousands of householders to become conscious of the insurable value. The principal trouble with both war damage and household goods coverages, however, is that in most cases they are bought and not sold. Both pay the agent very little but are obvious needs; thus the agent has only to sit back and wait for the policy to sell itself. A little promotional work on these lines could create much good will and encourage profitable business.

Outside influences have recently called the need for higher coverage to the assured's notice. Often a contractor or decorator will remark on the price or value of not only his own work, but the articles about the house. These suggestions are often ignored for

various reasons. Some people evidently believe that declaration of their personal property will cause a rise in their personal property tax.

The general results of promotional activities on the part of large agencies in sending out circular letters, either direct or through brokers, have been very encouraging. Those that have taken this action have found that they are getting a surprisingly high response. It seems that direct methods are the only means of getting action, but once the assured has the matter definitely brought to his attention the chances that he will act are great.

The agent must get out and work on his job in order to overcome the natural inclination of the assured to let his present insurance stand as it is. People still need the same coverages as they did before the war, but they must be told that they do. A man will still buy \$1,500 of household goods insurance, but he undoubtedly should have \$2,500 today. He won't buy, however, unless someone gets the idea across and tells him to cover himself.

Leads to P.P.F. Sales

Good salesmanship on household goods insurance can lead to far greater premiums than that coverage offers. If a prospect can be interested enough in this line to make an inventory he will very likely decide to purchase a personal property floater in those states in which it can be purchased. Good agents are already pushing along this line, and in such times as these it should prove easy for any man, especially with the war damage approach.

Several good arguments may be used once the agent has interested the assured in his own property. For instance, at this time it is impossible to replace refrigerators, electric fixtures, plumbing, stoves and other practical necessities without a long priority wrangle. And even second hand equipment is more costly than what the new could be bought for several months ago. If the prospect is not fully covered for the loss of any or all of these items he will ultimately blame the insurance agent for not giving him warning.

Those agencies that are employing women as solicitors might very well assign them to make a systematic approach to residential customers, since women are much more willing to try for a case involving a small commission than is a man. Moreover, women have a keener realization of values of household belongings than do men and can make a convincing presentation.

Issue Arises in Tennessee Over Proof of Loss Under Valued Policy Law

The Tennessee court of appeals affirmed the decision of the lower court in *Floyd et ux. v. American*, the issues being alleged misstatements in proof of loss and valuation of property. A dwelling house and contents were covered and were destroyed by fire. The assured were illiterate and could not read or write. Their proof of loss was filled in by an adjuster for the company. In the proof certain household goods that had been removed from the house without their knowledge were listed. The policyholders, however, withdrew their claim for recovery of loss on such household goods and the court after findings of

and improved collections are noted, and a trend toward broader coverages is also observed. Mercantile inventories are somewhat increased as the holiday season approaches, and there has been an expansion in manufacturing premiums. Fortunately for many of the older agencies, loyal native employees are not being lured away by the war work.

fact by the jury, entered judgment in their favor for the full amount of the insurance issued on the house.

The higher court held that the misstatements in the proof did not void the whole policy because it did not appear that they were wilfully or fraudulently made. Misstatements in regard to encumbrances and other insurance related only to household goods and, since complainant sought no recovery therefor, there was no issue involving the personality. Construing the valued policy law, the court held that, since the company failed to inspect the property and place a reasonable value on it, the amount of insurance written represented its fair value and the company was not permitted to prove its value at the trial. Although the statute allowed the company 90 days in which to inspect and evaluate the property, the court refused to alter its decision because the property was destroyed 32 days after the policy was issued.

Fire Prevention Pictures

Fire Marshal L. F. Schraffenberger presented a program before the Cincinnati Fire Underwriters Association which depicted the activities of the fire prevention bureau and the cooperative

Pink Moves for Fire Rate Cut in New York

The New York department is preparing to recommend a reduction in fire insurance rates where loss ratios are low and a simpler and more effective rating system to make greater use of loss experience, according to Superintendent Pink.

The recommendation, Mr. Pink said, will be based on the findings of the department representatives who served on the joint committee of underwriters, insurance buyers and rating bureaus that Mr. Pink appointed to study the question of fire insurance rating.

The report, Mr. Pink said, was exceedingly constructive and the recommendations are sound. They should lead not only to further study and discussion but to tangible improvements and simplification of the rating structure, he declared.

As to the contention that the submission of the report should be deferred until after the war, Mr. Pink said, it is important to make constructive progress and not to delay everything because of the war.

In Rochester, Mr. Pink declared, the fire loss ratio has been very low for many years but the present rating system does not permit proportionate saving to the buyer.

Although the average premium rate is about half that of 20 years ago and there have been several rate reductions in recent years, Mr. Pink declared the reduction of rates has not kept pace with reduced loss ratios.

Mr. Pink will ask for a reduction of rates for those classes where on the basis of the existing classified experience the loss ratios are found to be low and that a proper classification and method of reporting experience be set up together with such other changes in the present rating system as will make it simpler and more effective.

Hits Federal Attack

Apparently alluding to the federal government's attack on rating practices in the Atlanta case, Mr. Pink stated:

"It is strange that after we have made so much progress over so many years with the difficult art of rating that there should be anyone to question the advisability of rating organizations in the fire field. It would seem that the effort should be, not to destroy the company rating organizations, but to make rating more efficient and more responsive to changing conditions. There can be no intelligent or systematic fixing of premiums unless there are rating organizations which collect adequate statistics and use the experience in proposing fire rates for the industry. Whether these rating organizations should be cooperative agencies of the companies or more directly under state control is perhaps debatable. We in New York, and most of the states, have taken the position that the company organizations should do the statistical work which is necessary and propose the rates, and that the insurance department should pass upon them. While this method is perhaps slower in accomplishing the necessary rate adjustments than if there were direct control, the industry should be encouraged to regulate itself so far as it can be accomplished effectively.

"We had uncontrolled competition before we developed a rating system and found that it resulted in the failure of many companies with a consequent loss to policyholders. If we were to have unrestricted competition today, the result would undoubtedly be that a few large companies which could afford to cut rates would get the business and many of the smaller companies would be forced out."

efforts of the association members during the campaigns of the past two years. Movies of the clean up and fire prevention campaign were shown.

CHICAGO

JOSTES GOES WITH HINTON

Edward Jostes has been appointed manager of the fire department of F. K. Hinton & Associates, marine underwriters of Chicago. Mr. Jostes has been connected with the underwriting department of Northwestern National's Chicago branch office for the last 12 years.

FIRE PROTECTION CLINIC

The industrial fire department section of the Greater Chicago Safety Council Tuesday held a clinic on industrial fire protection problems.

BUSINESS IN SMALL TOWNS

Companies doing a village and especially a sub-agency business are of the opinion that with gas rationing the smaller places at least will show a temporary increase in prosperity. People will not be able to go to the larger points for shopping but will have to depend on local supply. This undoubtedly will mean carrying larger stocks and more money will be spent at home. Some companies are endeavoring to increase their small town agency list although it is difficult now to make the rounds on account of the gasoline situation.

ONE FEATURE IS FAVORED

Although the majority influence appears to be opposed to making any change at this time in the commission regulations of the Chicago Board, some observers believe that there is some chance that at least one part of the proposed program may be adopted. The program which was suggested by the special committee included paying 20 percent flat commission to brokers and class 2 agents rather than the present scale of 15 and 25 percent, to pay a 12½ percent over-riding allowance to class 1 agents and pay to class 1 agents that are also Cook county managers of a company with power to appoint other class 1 agents, 5 percent additional on business produced by class 1 agents that they appoint. There seems to be considerable sentiment in favor of providing for some extra allowance to agents that are bona fide Cook county managers on the theory that they do perform a good many extra services for which they should be compensated.

ARMY ENLARGES IN EXCHANGE

Tenants on the sixth and seventh floors of the Insurance Exchange annex in Chicago this week were feverishly making arrangements to move to other quarters there in order to make room for the army's induction center No. 2, which plans to move in about Dec. 1. Center No. 1 recently occupied large space on the fourth and fifth floors and is geared to handle about 800 inductees daily. Center No. 2 is said to be much larger, and will require about 65,000 square feet of space.

Manager R. C. Swanson of the Exchange was immersed this week in the task of assigning new space. The tenants who will be affected are:

Engelhard & Co. agency, Helen Dobbs Personnel, Dr. K. I. Stevens and Dr. L. R. Mellin, industrial surgeons; Dr. James Fried, dentist; R. B. Carlson, Atlantic Mutual, Ririe & Lange, Geo. A. Rapp & Co., Central Sign Co., Founders Mutual Casualty, McGowan & Driscoll agency, Dr. J. A. Bergen, Continental Casualty, Arthur Gillis, Ohio Casualty, Insurance Exchange Beauty Salon, Kaplan's Dress Shop, Phil Hoffberg, Mitchell Davis, Standard Surety &

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Ruehe Joins Newark Firm

NEWARK—Henry Ruehe, who has been in adjusting work in New York and New Jersey for 30 years, more recently with the New Jersey Claim Service Bureau in Newark and Trenton, has joined the adjusting firm of John A. Hoffman, Newark.

L. H. Schwobeda, bonding superintendent in the Los Angeles office of Fireman's Fund Indemnity and president of the Surety Underwriters Association of Southern California, now a lieutenant in the navy, was the honor guest at a dinner given by the surety association. Manager H. C. Gillespie of U. S. F. & G. was toastmaster. Lieutenant Schwobeda was presented with a service wrist watch, suitably engraved. W. C. Fundenburg, assistant manager of Fidelity & Deposit, made the presentation address. He also was guest of honor at a luncheon given by his Fireman's Fund office associates. He will report for duty in the naval aviation service at Quonset Point, R. I.

Arkansas Agents to Stress Legislation

LITTLE ROCK — Arkansas local agents will hold a fast-moving one-day mid-year meeting here Dec. 8. One of the outstanding items of interest will be the consideration of the association's two legislative proposals, a countersignature law and an agents' qualification law. A major portion of the afternoon session will be devoted to this subject.

Discussion will be led by Vice-president Robert Maxwell, Texarkana, with J. Roy Donham, F. I. Beyer, W. Voss, Little Rock, as participants.

Featured speaker will be Milton W. Mays, director Business Development Office, on "Production Problems Under War Conditions." He is scheduled to appear at the morning session.

Discuss Wartime Relationships

Another portion of the morning program will be devoted to a discussion of "Wartime Relationships with Local Agency Forces in Arkansas." James M. Lester, manager Arkansas Fire Prevention Bureau; Clyde Marshall, president Arkansas Fieldmen's Club, and Roy B. Bentley, Fire Companies Adjustment Bureau, will review and outline condi-

tions that their respective branches of the business may face in the coming months in serving local agents as the manpower and travel situations become more critical.

Opening the morning session will be a review of the revitalized Arkansas association program through the establishment of full-time association offices in August. President C. S. McNew, Jr., Pine Bluff; Van Howell, Fayetteville, board chairman and state director and H. A. Ritgerod, association manager, will participate in this report to the membership.

At the luncheon session Commissioner Graves will be a special guest. Other guests will be introduced to the membership at that time.

The program will close on an extremely practical note—a question box forum on wartime agency problems, in which questions on agency operations, anonymously submitted in advance of the meeting, will be discussed.

Unpaid Earned Premiums

Unpaid earned premiums due fire and casualty companies last June, the Central Bureau of New York reports, aggregated \$114,296, \$46,227 more than that at the same period in 1941. Of the present total, \$100,910 was due casualty offices and \$13,387 fire companies.



A MOVE IN THE RIGHT DIRECTION

In prospecting and selling, the right move for an agent is toward a concentration of property in need of protection—plus the money to pay for that protection.

Today the right move in your own community is toward the families whose incomes you know have greatly increased of late. These augmented incomes are being spent for necessities and luxuries long desired and consequently cherished and in definite need of protection.

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Need Second Front Offensive in Taking Story to Public

DES MOINES—The insurance field needs a second front and a change from defensive to an offensive attitude, Wellington Potter, Rochester, N. Y., local agent, declared in a spirited talk at a dinner sponsored by the Des Moines Association of Insurance Agents.

Mr. Potter was in Des Moines to attend the graduation exercises of his daughter from the Women's Army Auxiliary Corps training course.

Dinner guests included Commissioner Fischer and R. W. Forshay, Anita, past president National association, and local agents from over the state. Mr. Forshay, in a brief talk, mentioned the Atlanta indictments, saying that the entire insurance business is on trial.

Agency System on Trial

Mr. Potter leveled his address at co-operatives and their profit motives and stated the agency system is on trial. He pointed to the Atlanta indictments as an added reason for a second or new front for the insurance business. Stock companies and their agents have been on the defensive too long and afraid to take the offensive, he declared. He listed the dignified silence of the companies and lack of cooperation and reasons for the defensive attitude.

"The public is so ignorant of the insurance business it is pathetic," Mr. Potter declared. "You've got to go and see your customers and get up and fight."

He suggested that the agents invite to their local board and state meetings prominent insurance buyers and described several cases where it had proved effective.

In selling an agent should show a friendly attitude with the customer and not censure him, Mr. Potter pointed out. "Forget the sob stuff and sell him. Explain, but don't argue. Try to parallel something in his own line to the insurance. Talk the language of your prospect."

Kansas City Rationing Survey

John M. Nuckols, secretary of the Insurance Agents Association of Kansas City, has reported to the membership on the study made by a special committee to investigate the treatment that insurance agents and solicitors are likely to receive under the gasoline rationing program. The committee found that an insurance producer whose duties are confined to the sale of policies and collection of premiums will have slight chance of receiving other than an A rating. A solicitor whose duties include inspection and survey of risks primarily for the prevention of fire, accident, safety engineering, payroll audits will have a good chance of receiving a B book. Any such person whose exclusive or principal work is in connection with industries actively engaged in war work may have a chance to get a C book.

International's Annual Meeting

NEW YORK—Stockholders of International at their annual meeting Dec. 2 will elect directors. It is understood there will be no change in the composition of the board, nor in the official slate later to be chosen. Ownership of International, which is a fire reinsurer, continues to rest with Crum & Forster, and the operations of the company will be conducted by the existing staff without change. J. Lester Parsons is president of International, to which office he was elected following the death of Sumner Ballard a year ago.

H. E. Newell Talks in Newark

NEWARK—Harry E. Newell of the National Board spoke on "Fire and Explosion Hazards" at the safety course held under the auspices of the Newark Safety Council.

More Speakers for Buyers' Program

Additional speakers for the American Management Association's wartime insurance conference at the Drake Hotel in Chicago Dec. 8-9 have been announced by Reginald Fleming of Marsh & McLennan, New York, vice-president in charge of the association's insurance division.

At most of the sessions, following a short presentation by the speakers, the meetings will be thrown open to questions and answers from the floor. Among the speakers who will appear are: Edward C. Stone, U. S. manager of Employers Liability; Chase M. Smith, counsel of the Kemper companies, Chicago; Harry L. Grider, manager of the Western Factory Association; J. W. Close, assistant general counsel of War Damage Corporation; Wendell H. Stevens, vice-president of Fred S. James & Co., Chicago; Earl W. Harrington, vice-president Manufacturers Mutual Fire, Providence; J. G. Reese, supervisor of insurance and safety of Consolidated Gas, Electric Light & Power Company, Baltimore, and John C. Kemp, president of John C. Kemp, Inc., New York.

Gifts to Phoenix Service Men

NEW YORK—The Phoenix of London group, in line with its plan of sending mail and gifts to employees who have joined the armed forces, has this week sent to each man a \$5 money order enclosed in an appropriate holiday greeting card. Since the end of August the list of men in service has grown from 84 to 126. The money order for Christmas makes the fourth gift of money to these men who are in practically every camp in the country as well as overseas.

Each man in service has also been furnished an identification card listing addresses of Phoenix of London offices throughout Great Britain, for use should travels take him to those parts. The entire plan, which offers the means of keeping in touch with the men and helping them whenever possible, is handled by the Phoenix of London employment war fund. Trustees in charge are Lydia Matthews, president; Mary McLean, vice-president; Dorothy Reddy, treasurer; Marjorie Power, secretary; Vera Rosa, Barbara Hector, Katherine Keating and Agnes Carroll.

St. Paul F. & M. Emergency Unit

St. Paul Fire & Marine has just presented to the city of St. Paul a Red Cross emergency car and ambulance, completely equipped, and with a fully trained "first-aid" in charge. Credit for the unit belongs to E. T. Roberts, a safety engineer of St. Paul-Mercury Indemnity, long interested in Red Cross work, who has been instructing employees of the company as well as classes throughout the city in Red Cross first aid. The company turned over to him a late model coupe and on his own time Mr. Roberts completed the conversion of the car into a mobile unit.

When not on active emergency duty, the car will act as a training unit in conjunction with the company's and the city's first aid instruction activity.

Urges Retention of Pink

The General Brokers Association of New York City has adopted a resolution urging Governor-elect Dewey to retain Superintendent Pink as head of the insurance department despite the change in the state administration from Democratic to Republican.

Dauwalter Is Recovering

The condition of F. S. Dauwalter, assistant general manager of the National Board, is improving, his temperature being almost down to normal. He is ill of pneumonia at Post Graduate Hospital, New York City.

Adventures of Geo. Blossom and W. H. Stevens in Kansas City Told by Cliff Jones

Cliff C. Jones, president of the R. B. Jones & Sons agency of Kansas City, tells this story and vouches for its authenticity:

The story concerns the adventures of George W. Blossom, Jr., president of Fred S. James & Co., Chicago, and his associate, W. H. Stevens, in Kansas City the other day.

In the first place, when Mr. Jones took them to the country club to play golf they both wanted to go by the Union Station and see the damage done to the marble when the famous massacre occurred there; and then they took great interest in learning that Jesse James lived right near Kansas City and that Mr. Jones had actually seen Frank James and Jesse's son, and played golf with the famous bandits Bailey and Verne Miller, who were two members of the Union Station massacre gang. "They actually wanted me to drive them some 10 miles to the cemetery to show them the graves of some of these bandits. I told them not to worry that they would see plenty before they went home," Mr. Jones relates.

"While on the golf course, approaching the 16th green, which is near the club entrance, we observed a car driving fully 70 or 80 miles an hour over the fairways, turning around, crossing the greens and raising hell in general. We blocked the gate so that when they came down to get out they had to stop, turn around and go back to seek another exit. While all this was in progress I must admit I have never seen braver men than George Blossom and his friend Stevens. Steve grabbed one wheel of the car and held it while George opened the door, and right in the face of two sawed-off shot guns tried to pull one of the bandits out of the front seat. He hit him three or four times in rapid succession, causing the bandit to bleed profusely all over the car and driveway. Unfortunately Steve's hold on the car wheel loosened and they got away; but after reaching the club house and driving around the circle a few times the police captured them.

"Of course, George and Steve being from out-of-town and not realizing they were in the wild and woolly west, had a very narrow escape. None of us would have gone near that car, because we are used to such banditry, which occurs almost weekly on our golf courses—at least, we made them believe these things happen every few days. However, this stopped our game, and after reaching the club house and suggesting a drink, we noticed they were too shaky to hold a bottle of 'coke.' Well, anyway, George shot his usual fine game of golf with borrowed clubs and borrowed shoes—up to the 16th hole."

Hershey Hotel to Government

Now that the government has taken over the Hershey Hotel at Hershey, Pa., for the sole use of the interned Vichy ambassador, Gaston Henry-Haye, and his official staff, retainers and their families, this hostelry will no longer be available for insurance men, at least for some time. Hershey Hotel was a popular meeting place for insurance organizations. The Western Underwriters Association held a gathering there some years ago. Among other organizations the I.M.U.A. has assembled there.

Springfield Declares Extra

Springfield F. & M. has declared a regular dividend of \$1.12 a share and a special dividend of 25 cents a share both payable Jan. 2 to stock of record Dec. 15.

Crowley, La., will be inspected Dec. 9 by the Association for the Reduction of Fire Loss. E. R. Pope, state agent of Home, will be general chairman. This is the first inspection under the new state-wide fire prevention campaign.

Wait for Treasury Regulations Under the New Law

WASHINGTON—The new revenue act is so lengthy and complex that the commissioner of internal revenue will probably not be able to issue his customary set of regulations until after the first of the year. However, because taxpayers will have to have clarification on many points before the close of the year the Treasury, it is understood, plans to issue a series of decisions, the first of which is expected early in December.

One of the points, for example, on which enlightenment will be essential before Jan. 1 is the handling of the deductions under the 5 percent victory tax. Withholding must begin Jan. 1 and there are quite a few points that need clearing up.

Status of Some Forms of Government Cover Is Shown

The navy no longer is requiring insurance in connection with any of its contracts, though it is understood that policies in effect will be allowed to run to termination if of the one-year type, or to anniversary date if of the term variety. The navy has never had an organized insurance plan similar to that of the war department. Some of the navy officers who placed contracts required insurance, others declined to permit its cost to be included in the contract price.

The army quartermaster depot at Philadelphia, which is the clearing house for army uniform contracts, has indicated that it will no longer require insurance on contracts of this kind. Apparently this eliminates all insurance in connection with garment contracts placed by the government, although those offices with such coverage in effect have not had any word relative to business on the books.

The garment contractors committee of the Inland Marine Underwriters Association has just gotten out two endorsements providing the coverage required for the usual government contract risk in a clear and uniform manner. It appears that there would now be no use for these endorsements.

For a time garment contracts and contracts of a similar nature, that is, where the government retained ownership of materials and equipment being used by a contractor, required war damage insurance in addition to other types of protection. Later this requirement was dispensed with and the war damage coverage canceled.

The air corps some time ago discontinued coverage of airplanes in process of manufacture and the materials used in their construction. This ran to large amounts of liability.

Proposes Gasoline Storage Law

TALLAHASSEE, FLA.—State Fire Marshal Larson is urging a uniform municipal act in the various states for the control of handling gasoline during the rationing period. In a letter to chiefs of fire departments he said there will be great hazards due to improper storage of gasoline. Marshal Larson enclosed a copy of a suggested ordinance which would make it unlawful to sell to a person more than a pint of gasoline daily, other than to put in the auto gasoline tank, unless the purchaser held a gasoline storage permit from the fire department chief.

Albany Celebration Canceled

The celebration of the 30th anniversary of the Albany Field Club which was to have been held this month has been postponed for the duration of the war.

Clant M. Seay, secretary-manager of the Mississippi Association of Insurance Agents, has been appointed fire coordinator for Mississippi by the civilian defense council.

Agent Can Meet Wartime Problems

MILWAUKEE — Premium production, maintenance of manpower, collections, removal of insured, conservation of life, limb and property, service, and war damage insurance are among the problems facing the insurance business in wartime, John A. Arnold, vice-president National Retailers Mutual, said at the meeting of the Wisconsin State Association of Mutual Insurance Companies.

High taxes, price ceilings, and inability to replace goods will close some doors but business interruption indemnity and rent insurance that used to be hard to sell to customers and now are hard to sell to the companies will make up some of the premium loss. Six months or nine months are piecemeal selling for rent insurance today, he said. Two or even three years' coverage is in order.

Rate reductions should open the doors to new customers.

As it becomes difficult to reach the fringe of present territory it becomes necessary to concentrate on present policyholders by means of survey selling. The unit sale shows the largest margin of profit to the producer. It is most likely to level the loss ratio of his agency. Insurance against all hazards insures the agent's commission for the future.

Greater conservation of tires means more use of advertising, he said. Several agents report that they are reviewing expirations three months in advance these days. This enables them to group policyholders in one neighborhood and so make renewal solicitation and policy delivery more economical. This routing of calls releases time for new solicitation. It also speeds up collections because a man pays a bill that has been lying around for a period, even though it may not be due. Agents must guard against furnishing credit for buyers to clear up other money obligations, must get ahead of the commercial account collectors.

In the solicitation of war damage insurance, many property owners discovered for the first time the meaning of co-insurance. There is much fire insurance coverage that needs revamping to comply with that clause.

Service is the big thing today, he asserted. It is unlimited by any 40 hour law for the agent. His income is not hampered by any ceiling or salary limitation. There is no rationing of policy supplies. The big problem is the shrinkage of some insurable values as stocks of goods are depleted.

Fire protection is one form of service that insurance men must practice vigorously. Vacant buildings must be cleaned and made secure against trespass, with electricity and gas turned off. Fuel rationing may result in all heat service being stopped, otherwise supervision should be provided. Many old buildings will be diverted to new uses. These need watching to guard overloading of floors and electric circuits.

Auxiliary or supplementary heating devices will be introduced into homes and commercial buildings. Little used processes will be increased in amount or tempo or changed in method. Machinery and equipment will be overloaded and overworked. Familiarity breeds contempt which shows itself in carelessness.

The insurance inspector, expert or amateur, engineer or agent, will see things that the owner or workers overlook daily because their attention is centered on other things. If loss of premium is a problem to the company and agent, fire prevention is a necessity to hold what they have on their books.

Probe Tax Dodging in Neb.

LINCOLN—State Tax Commissioner Brady announces after consulting with Insurance Director Fraizer that he would start an investigation of 200 fire insurance companies to ascertain if they

have been dodging a part of their taxes.

Mr. Brady said it had been ascertained that one Iowa mutual company that has 70 agents in Nebraska has not paid taxes on a large part of its premiums. In Nebraska fire premiums are subject to taxation on the same basis and at the same rate as real estate. Last spring the department furnished Commissioner Brady with a list of all such agents, and these names and their affiliations were sent to county assessors. He says that the county assessors, for some unknown reason, did not in many cases use this information, with the result that thousands of dollars of premiums were not put on the tax list, although this is the duty of the agent to report.

Brady says that the Iowa company in the 47 counties covered reported about \$6,000 in premiums, when actually the total was \$256,648. The average levy for the state is 3.8 mills, and he says this would mean the company still owes \$9,728.

How to Avoid Some Dangers Due to Piling Up of Raw Material Stocks

There is a considerable problem nowadays from the underwriting standpoint due to the piling up of raw material stocks of various kinds by manufacturers, wholesalers and retailers. The "Factory Mutual Record," publication of the Factory Mutuals, comments at length on this situation.

This danger arises when the excess storage cannot safely be handled by the plant's normal facilities, where storage areas are overcrowded, or where storage is put in places not designed for it such as manufacturing rooms or in buildings of substandard construction. Insurance engineering service can be of great help to assured in this connection.

Lists Precautionary Steps

There are several items of caution which assured should be asked to observe to offset some of the dangers. Additional storage should be put under automatic sprinkler protection. Conges-

tion should be avoided and the stocks sub-divided into reasonable piles, not too high, with ample aisles. Stocks should not be stored in manufacturing areas where they will be subject to unusual fire hazards.

Storage should not be placed where it will come beneath hazardous processes unless these floors are weather tight; otherwise, there is danger of considerable damage by water from sprinklers. Floor loads should be carefully checked to prevent collapse. There have been several such losses reported recently. Storage should not be placed directly on the ground floor of the warehouse without skids because of the danger of water damage.

Storage should be kept 8 inches below sprinkler if the sprinklers are to be effective. There have been some serious losses from piling goods too high. Storage should not be piled in aisles. Aisles are provided to limit the fire's spread, and to make piles accessible for quick extinguishing if fire occurs.

NEW YORK

PREMIUMS AT THE PEAK

Many offices find that the run of large premium lines has subsided greatly. At one time companies had heavy demands on them from all directions for extended authorization due to the building of plants, extensions, etc. This kept them jumping to take care of agents in their own offices and forced naturally many to go outside for reinsurance. There were large amounts of reinsurance ceded and received. The general belief is that the peak of premium income has been reached. In fact, the increase this year is due largely to these large premiums risks and the inland marine coverages.

STORAGE OF SOFT COAL

Efforts to store abnormally large amounts of soft coal in view of a possible freight car shortage during the winter have resulted in a number of spontaneous combustion fires in base-

ments of apartments and commercial buildings. Soft coal contains a considerable percentage of sulphur and unless proper storage conditions are observed the excessive pressure on the bottom of the pile caused by storing an unusually large amount is likely to result in self-ignition. What makes these fires additionally troublesome to fight is that it is necessary to remove so many tons of coal before it is possible to get at the heart of the fire.

FIELD TALENT AT PREMIUM

Companies that have had to seek field men during recent months find that capable talent that is available is very scarce. There are plenty of "hangers-on" so to speak, but the men who can carry the message to Garcia are difficult to obtain. The companies have realized the situation confronting them and they have increased salaries as far as possible in order to retain their own employees. Some companies have been hit rather hard by the draft and it is anticipated that there will be more of it to face owing to the call to the colors. In the meantime, executives are in a quandary as to what course to pursue as young men of military age taken in now are an uncertainty and are likely to be taken into military service at any time. It dislocates the reservoirs of field supply.

MAIL NOW DELAYED

British companies are finding the regular mail service with their head offices becoming more and more unsatisfactory. Mail is held back and it may be a month or so before a letter dispatched from either side reaches its destination. A foreign manager the other day received three letters in one mail, one dated in October, one early in November and one in the middle of November. Clipper service cannot be relied on as it once was for rather hasty mail service, although it is doing its best. Where immediate action is necessary, the cable is brought into play. However, more and more United States managers are forced to assume responsibility for most of the decisions.



Departments—

CHICAGO
PITTSBURGH
SAN FRANCISCO
KANSAS CITY
INDIANAPOLIS
PHILADELPHIA
MONTREAL
TORONTO

American Equitable Assurance Company of New York
Organized 1918

Globe & Republic Insurance Company of America
Established 1862

Knickerbocker Insurance Company of New York
Organized 1913

Merchants and Manufacturers Insurance Company
of New York
Organized 1849

New York Fire Insurance Company
Incorporated 1832

Corroon & Reynolds, Inc.

MANAGER

92 William Street, New York

Losses paid exceed Two Hundred and Fifty Million Dollars

NEWS OF FIELD MEN

Blue Goose Grand Nest Committees and Deputies Named

Deputy most loyal ganders and committees of the Blue Goose grand nest have been appointed by Howard A. Reynolds, San Francisco, most loyal grand gander.

Deputies for Canada are Fred Midgley, Toronto; O. D. Loudon, Calgary; J. P. McBeath, Vancouver, and S. L. Sterling, Winnipeg.

Deputies-at-large: C. V. Templeton, Jr., Great Falls, Mont., western states; R. E. Vernor, Chicago, central states; P. M. Fell, Philadelphia, eastern states; J. F. Satterlee, Columbia, S. C., Kentucky, Tennessee, Virginia, Carolinas, Georgia, Florida; Charles Beale, Dallas, Arkansas, Alabama, Mississippi, Louisiana, Oklahoma and Texas; Pierre A. Badeaux, Montreal, for Canada.

Deputies for the United States are W. A. Groce, Spokane, Oregon and Washington; Hugh Miller, Salt Lake City,

Montana, Idaho and Utah; J. H. Rea, San Francisco, northern California; L. W. Price, Phoenix, southern California and Arizona; G. B. Side, Denver, Colorado, Wyoming, New Mexico; H. A. Truslow, Honolulu, Hawaii; Robert Hayward, Sioux Falls, Minnesota and Dakotas; Howard Underwood, Columbus, Ohio; J. Ray Hull, Indianapolis; J. H. Buntin, Des Moines; D. J. Harrigan, Chicago; I. E. Frey, Milwaukee; J. Y. Dickerson, Topeka; Asa K. Lane, Fremont, Neb., and Stuart Morgan, East Lansing, for their respective states; R. W. Smith, St. Louis, eastern Missouri; O. D. Cox, Kansas City, western Missouri; S. R. Howard, Newark, New York City and New England; Herbert Fahlgren, Parkersburg, West Virginia; Robert Martin, Baltimore, Maryland and District of Columbia; Horace Weidenmann, Philadelphia, Pennsylvania, M. L. Fuller, Raleigh, Virginia, North and South Carolina; M. N. Watson, Atlanta, Georgia and Tennessee; E. H. Mathewes, Jr., Birmingham, Alabama and Florida; Louis Vauthier, New Orleans, Mississippi and Louisiana; R. L. Meeks, Louisville, Kentucky and Arkansas; J. F. Miazza, Dallas, Texas and Oklahoma.

Committee chairmen are: H. O. Wolfe, Milwaukee, who is also judge advocate, jurisprudence; Bruce Parker, Seattle, constitution and by-laws; Francesco Seley, Portland, Ore.; ritual; W. J. Kulp, Denver, memorial; W. T. Benalack, Detroit, emblem; M. R. McGruder, Birmingham, publicity; E. J. Beauvais, Montreal, war activities.

Ill. Blue Goose Holds Rally

The Illinois Blue Goose held a most enjoyable dinner meeting in Chicago Monday, the central attraction being the talk of John P. Carmichael of the Chicago "Daily News" sports department. Mr. Carmichael entertained the group with intimate and humorous stories of baseball and football personalities and incidents and when he consented to answer questions, the members kept him going for a long period.

James P. Jana, state agent of Hanover Fire, presided as most loyal gander. He presented the Blue Goose golf championship trophy to W. C. Ieuter, Ohio Farmers, in absentia. Following Mr. Carmichael's talk there was an initiation. The occasion brought out quite a large number of members who do not regularly attend Blue Goose meetings and thus there was evidence of new interest in the organization.

Coldwell in Ohio for Security

H. N. "Sam" Coldwell has joined Security of New Haven as Ohio state agent, sharing headquarters with General Agent W. E. Jones in Columbus. He takes the place of W. P. Jones, who has enlisted in the engineering corps of the army. Mr. Coldwell since 1937 has been special agent in Ohio for Central Manufacturers Mutual. He started at the home office of New Hampshire Fire and later traveled in the Ohio field for that company. When New Hampshire sold County Fire to Great American, Mr. Coldwell went with the latter organization as special agent in the New York suburban territory. He later returned to Ohio.

Alamo Pond Official Changes

SAN ANTONIO—At the monthly meeting of the Alamo Blue Goose, Warren L. Gravely, Home of New York, was advanced from welder to keeper, succeeding E. L. Stephens, Firemen's, who has been transferred to Dallas. C. F. Nichols, Fire Companies

Adjustment Bureau, was elected welder. The pond viewed the General Motors moving picture, "America Can Give It," which portrayed the efforts of war workers. L. T. Haynie, General Exchange, and N. D. Miller, G. M. A. C., were in charge.

Serck with National of Colo.

L. A. Serck, formerly in the Nebraska field, has been named special agent for the National Insurance Company of Colorado.

Stanton Heads Field Club

The Mountain Field Club of Manchester, N. H., elected these new officers: President, Fred E. Stanton, Jr., Great American; vice-president, Robert E. Berg, Granite State; secretary-treasurer, Robert F. Babcock, Fireman's Fund.

America Fore Shifts Hatch

CINCINNATI—E. B. Hatch, Jr., formerly special agent of America Fore in Kentucky and part of Tennessee, is assuming the responsibilities recently relinquished by C. H. Garbutt, state agent of America Fore in Hamilton county, O., who recently joined the army as captain.

Ohio Speakers Hear Cowan

George Valentine, Ohio Farmers, presided at the meeting this week of the Ohio Stock Fire Insurance Speakers Association and introduced W. L. Cowan, New York Underwriters, who spoke on "Is the Insurance Business Keeping Pace With the Times?" He proved conclusively that it is. Harold A. Ritter, Travelers Fire, will speak next week on "Out of the Ruins."

Initiate 21 in Los Angeles

LOS ANGELES—The California Blue Goose at its meeting Nov. 20, had one of the largest initiation ceremonies in several years, 21 new members being received. Howard A. Reynolds of San Francisco, most loyal grand gander, delivered the charge.

The pond will hold its annual dinner dance Dec. 4.

Bosworth Working in West

Charles Bosworth, Jr., state agent of the Rhode Island in New York, is spending a month on special work with J. E. Reinhold, western manager in Chicago.

Kentucky Field Election

LOUISVILLE, KY.—J. Branch Taber, state agent Fidelity Phoenix Fire, was elected president of the Kentucky Fire Underwriters Association at the annual meeting yesterday, succeeding William E. Kingsley of the Travelers. Franklin R. Macpherson was elected vice-president and J. V. Bowman was re-elected secretary-treasurer. The executive committee is composed of Mr. Kingsley, C. E. Fieldhouse and R. K. Langan, newly elected, with holdover members Paul C. Grider and R. J. Martin.

Separate meetings were held by the Kentucky Fire Prevention Association and the Blue Goose. E. W. Short, president of the fire prevention organization, in a report held that the U. S. Army knew that the fire prevention engineers were available for any type of investigation of fire hazards, and while the army has complete charge of investigation of defense plants, the civic fire prevention group could be of assistance in those plants that have sub contracts.

The Wisconsin Blue Goose will hold a smorgasbord and smoker at noon Dec. 12, in Milwaukee.

WANTED

Manager for Farm and Survey Department. Stock Fire Company in Chicago. State qualifications and salary desired. Address Q-87, c/o The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.



SOUND
PROGRESSIVE
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More
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TANKS • SHIPS



Top Speed! Top Production! Action 24 hours a day! This is the wartime creed of a unified, grimly determined nation to bring this war to an early and victorious conclusion.

Every man, woman and child is given the privilege of helping in the defense of our country. In whatever capacity we may now be serving, we can all do one important thing more:

Every Week—Every Month

BUY

UNITED STATES SAVINGS
BONDS AND STAMPS



PACIFIC
NATIONAL
FIRE INSURANCE
COMPANY

HOME OFFICE • SAN FRANCISCO

OFFICES IN PRINCIPAL CITIES

COAST TO COAST



The
CHARTER OAK FIRE
INSURANCE COMPANY
~ HARTFORD, CONNECTICUT. ~

EVER watchful
engineering service
helps prevent fires
and explosions.



One of
THE TRAVELERS
COMPANIES
Hartford, Conn.

INSURANCE MEN IN ARMED SERVICES

Since Sept. 12, there have been 124 branch office employees of the **Travelers** companies who have entered military service. In the same period, 184 agents of the companies have been called into the armed forces. At the present time there are 1,991 Travelers men and women in uniform, including home and branch office members and agents.

George Wine, local agent at North English, Ia., has gone into service. Mrs. Wine will continue the agency.

Capt. Milo H. Miller, formerly secretary-manager of Iowa Fire of Waterloo, Ia., is now serving as army air force representative at Bell Aircraft Corporation, Buffalo, N. Y. He served as a flight instructor at Kelly Field, Tex., in the first world war and reentered the army a year ago.

J. Lester Hourigan, president of Underwriters Reports, Boston, has been commissioned a lieutenant in the naval reserve and has been ordered to report for duty.

R. J. Vallon of R. Vallon & Son, New Orleans, has been commissioned a lieutenant in the navy.

Eugene Miazza, who has been attached to the Shreveport, La., office of the Fire Companies Adjustment Bureau, has entered the navy.

C. T. R. Adams, formerly agency secretary of the disability division of Continental Casualty, who was one of its first home office employees to enter the service, has been commissioned as an ensign in the navy. Continental now has more than 200 employees in service.

George D. Horras, special agent and engineer of Crum & Forster in Missouri, with headquarters at Kansas City, has been commissioned a lieutenant (j.g.) in the navy and is located in Boston.

Stanley B. Markel and **Milton L. Markel**, vice-presidents of Markel Service, Richmond, Va., have been appointed majors in the air corps. Both entered the service as second lieutenants two years ago. Stanley Markel is somewhere in India, and Milton at Stinson Field, Tex.

C. C. Conant, Jr., manager of the Everett Realty Company agency, Englewood, Colo., is in army service, at present stationed in San Diego, Cal.

Birchard Peterson of the Flood & Peterson agency, Greeley, Colo., will leave shortly for army service. The agency will be continued by Barney Flood.

Harold L. Trindle, local agent at Loveland, Colo., who has been in the army since July, is stationed at Camp Robinson, Little Rock. The agency is being conducted by Mrs. Trindle.

Frank H. West of Armit & West, local agents, Colorado Springs, is being inducted into army service as a first lieutenant. He will be stationed at Aberdeen, Md.

R. B. Owens, Maysville, Ky., agent, is in an army camp officers training school. **C. D. Harris, Jr.**, partner in the C. D. Harris & Sons agency, Louisville, also is studying for an officers commission.

Howard Chadd, adjuster of the Western Adjustment Company at Muncie, Ind., has enlisted in the navy and is waiting call.

S. Withers Howell, who is a Chattanooga agent, a veteran of the first world war, has been commissioned a first lieutenant and is taking a refresher course at the provost marshal school.

Fred E. Wallace, Austin, Tex., special agent of American General of Houston for south Texas, is now in the army and is on active duty at Camp Barkley, Abilene, Tex.

Ralph H. Dreyer, special agent of Great American stationed at Rochester, N. Y., has been commissioned a lieutenant (j.g.) in the naval reserve, and will report for duty Dec. 10. He has been with Great American for 11 years,

of which the last six have been as special agent in Rochester.

J. A. Pipkin of A. E. Pipkin & Co., Memphis, president of the Junior Chamber of Commerce there, has enlisted in the navy as a specialist second class and has reported to the Great Lakes Naval Training Station.

J. H. McDonald, partner in the Fink Insurance Agency, Fredonia, Kan., is stationed at Harvard University taking training in the communications division of the navy, having been commissioned a lieutenant (j. g.)

C. M. Wesley, brother of Ralph P. Wesley, Hutchinson, Kan., local agent, with whom he was previously associated, has been assigned to the air corps officers training school at Miami Beach, Fla. He was previously stationed in Denver, and later at McClelland Field, Sacramento, Cal.

Richard Metten, formerly of the Will S. Thompson-Kline agency, Hutchinson, Kan., is now stationed at McClelland Field, near Sacramento, Cal., awaiting transfer to the air corps officers training school at Miami.

Wilber Phillips of Portland, Oregon special agent of Security of New Haven, is entering the service and will be stationed at Ft. Lewis, Wash.

Roy R. Terry, managing editor of "Northwest Insurance News," Portland, Ore., has been commissioned an ensign in the navy and reported to the naval air training station at Pasco, Wash. Later he will be sent to Harvard.

A farewell party for **J. Glen Liston**, special agent of American Surety and New York Casualty, was staged by the Seattle Surety Association, of which he is past president. He is entering army officers training school.

Weinstock to New York Parley

Sidney L. Weinstock, deputy insurance commissioner of California, will represent the California department at the convention of the National Association of Insurance Commissioners in New York.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, at close of business Nov. 23, 1942

	Par	Div.	Bid	Asked
Aetna Cas.	10	5.00*	126	131
Aetna Fire	10	1.80*	47	49
Aetna Life	10	1.40*	30 1/2	32
Amer. Alliance ..	10	1.20*	21	22 1/2
Amer. Equitable ..	5	1.00	17	18
Amer. Home	10		6	7 1/4
Amer. (N. J.) ...	2.50	.60*	13 1/4	14 1/4
Amer. Surety	25	2.50	51	53
Automobile	10	1.40*	34	36
Balti.-Amer.	2.50	.40*	6 1/2	7 1/4
Boston	100	21.00	540	560
Camden Fire	5	1.00	20	21
Carolina	10	1.40*	28	30
Contl. Cas.	5	1.50*	32 1/2	33 1/2
Contl. N. Y.	2.50	2.20*	40	42
Fidelity-Phen. ...	2.50	2.20*	41	43
Fire Assn.	10	2.50*	53	55
Firemen's (N.J.) ..	5	.40	9 1/4	10 1/4
Fireman's Fund ..	25	4.00	101 1/2	103
Franklin Fire ...	5	1.40*	25	26 1/2
Gen. Reinsur.	5	2.00	42	44
Glens Falls	5	1.60	37	39
Globe & Repub. ...	5	.50	8	9
Gt. Amer. Fire ...	5	1.20*	26	27 1/2
Gt. Amer. Ind.	2	.20	9 1/4	10 1/4
Hanover Fire	10	1.20	22 1/2	24
Hartford Fire ...	10	2.50*	88	92
Home (N. Y.)	5	1.60	27	28
Ins. Co. of N. A. ..	10	3.00*	68	70
Maryland Cas. ...	1		2 1/2	3
Mass. Bonding. ...	12.50	3.50	62	64
Mer. (N.Y.) Com. ..	5	2.00*	42	44
Natl. Cas.	10	1.00	22 1/2	24 1/2
Natl. Fire	10	2.00	56 1/2	58
Natl. Liberty	2	.40	7	7 1/2
Natl. Un. Fire ...	20	5.00*	157	160
New Amst. Cas. ...	2	.97 1/2	20 1/2	21 1/2
New Hampshire ...	10	1.80*	41	43
Northern (N.Y.) ..	12.50	5.00*	79	82
Ohio Cas.	5	.70	18	20
Phoenix, Conn. ...	10	3.00*	84	87
Preferred Accl. ...	5	1.00	13	15
Prov. Wash.	10	1.40*	32	34
St. Paul F. & M. ...	62.50	10.00*	250	260
Security Conn. ...	10	1.40	36	38
Sprngd. F. & M. ...	25	4.75*	118	122
Standard Accl. ...	10	2.50	54	56
Travelers	100	16.00	420	430
U. S. Fire	4	2.00	46	48
U. S. F. & G. ...	2	1.25*	29	30

*Includes extras.

Women Employe Problem Assumes Large Proportions

The shortage of stenographers and other female clerical help is the major problem occupying the attention of insurance company executives these days. The situation was becoming increasingly more difficult but it was greatly accentuated by the wage freezing edict. Girls, instead of seeking to have their present employers get government permission to give them salary increases, simply went out for higher paying jobs elsewhere. Also, a large number of girls apparently felt that another move might be job freezing and they went out to get the best possible job in which to be frozen for the duration.

In those cities in which working hours are to be staggered, Dec. 1, coincidentally with gasoline rationing, some employers are fearful to announce a change in working hours on the theory that some of the girls might object to the new schedule and simply get a position with some organization whose hours are more to their liking.

Seemingly it is difficult even to get the work turned out by having the girls work overtime. One of the smaller life companies, for instance, which had been on a five day week, decided to go on a

Farm Insurers to Fete Leaders in 4-H Work

The Farm Underwriters Association will entertain a group of national and state leaders in the Four-H Club setup the evening of Dec. 2 at the Union League Club, Chicago. This will mark the successful completion of the first year of the scholarship program for Four-H clubs that was inaugurated by the Farm Association. Rush Carter of Aetna Fire will be in charge as president of the Farm Association and he will give an account of the program as it has developed so far and what the plans are for the future. Those that are expected to attend from the extension service of the Department of Agriculture are R. A. Turner, S. P. Lyle and M. L. Wilson.

full six day week and pay the overtime. However, the company went back to the five day week when every single woman employe in the office signed a petition saying that she would quit unless the five-day week were retained.

One proposal is to put service stripes on stenographers after they have been on the job three months.

Only **Argus Charts** include the many smaller but locally important companies. Order from National Underwriter.

WHAT GLOBAL WAR MEANS TO YOU

Global war means there's a home front in every agent's back yard. It means enemy bombers capable of flying "grand circle" routes that make Minneapolis as vulnerable as New York . . . or Kansas City as likely a target as Seattle.

Global war means that the enemy can raid the center of a nation as well as its coastal cities!

Alert, progressive local agents and companies recognize this challenge. They are co-operating with the United States Government to tell the story of War Damage Insurance to property owners from coast to coast, not forgetting the midway points.

For global war means that all of us, everywhere in this nation, are potentially vulnerable to air attack. It highlights the responsibility of all of us in the property insurance industry to make certain that every client or prospect understands the unprecedented importance of War Damage Insurance.

THE LONDON ASSURANCE THE MANHATTAN Fire and Marine

99 JOHN STREET



NEW YORK

— Insure Victory — Buy War Savings Bonds —

Indictment of S.E.U.A. Causes Shock and Surprise

(CONTINUED FROM PAGE 1)

the capital contention being that insurance is not commerce and is not subject to the Sherman anti-trust law.

Lloyd T. Wheeler, manager-secretary of the S.E.U.A., issued a formal statement after the indictment was returned. He pointed out that the U. S. Supreme Court has ruled several times that insurance is not commerce and, therefore, not subject to federal control. If the indictment were sustained, he declared, neither the state insurance departments nor the insurers would know what laws were applicable.

Congress, he said, has repeatedly refused to enact federal regulatory statutes of any kind. Mr. Wheeler asserted that the federal anti-trust laws cannot be a substitute for a system of state regulation. Mr. Wheeler said he has been informed that federal action is the subject of great concern to the states not only because it is an invasion of what they deemed to be well recognized states' rights but because of the highly unfortunate practical effects of that invasion. He stated he is informed that the insurance commissioners, attorneys general and governors of several southern states already have been discussing what measures they should take.

Mr. Wheeler said the S.E.U.A. intends to raise the fundamental question of lack of federal power. That indicates that the S.E.U.A. may bring some such action as a motion to quash the indictment.

Specifications of Indictment

The indictment makes identical specifications on each of the two counts, based on sections one and two of the Sherman act respectively. The first count alleges "conspiracy in restraint of the interstate trade and commerce" under section one, the second "conspiracy to monopolize trade and commerce in fire insurance in . . . the states of Alabama, Florida, Georgia, North Carolina, South Carolina and Virginia" under section two.

Fire insurance is defined in the indictment as "a commodity sold by contract," while the phrase "premium rates or prices" is used to describe the consideration in an insurance contract. The interstate character of fire insurance is implied in reference to the transmission of reports, remittances and payments of loss through the mails between agents, state managers, general agents and company home offices. "Fire insurance coverage is essential to and directly affects the flow of interstate commerce," the indictment states. It "affords necessary protection against . . . risks to

shippers, consignees, warehousemen and common carriers."

The 10 identical specifications under each count include charges of agreement to "establish and maintain . . . local boards of fire insurance agents," to "disparage . . . companies which are not members of S.E.U.A.," and to "threaten to boycott . . . persons purchasing fire insurance from companies which are not members" in addition to the more direct allegations regarding monopolistic practices relating to rates and commissions. The 10 specifications are:

"Agree to sell and have sold fire insurance at premium rates or prices established and determined by S.E.U.A.;

"Agree to pay, and have paid commissions to their agents for the sale of fire insurance at rates established and fixed by S.E.U.A.;

"Agree to adopt and have adopted reclassification of types of fire insurance risks and agree to establish and maintain and have established and maintained premium rates or prices for fire insurance on the basis of such reclassification of risks;

Standard Terms and Clauses

"Agree to utilize and adhere to and have utilized and adhered to, standard terms, conditions and clauses relating to coverage of various types of risks established by S.E.U.A. for use in and in connection with fire insurance policies;

"Agree to withhold reinsurance facilities from and prevent access to such facilities by fire insurance companies which are not members of S.E.U.A., and have withheld and prevented access to such facilities by fire insurance companies which are not members of S.E.U.A.;

"Threaten to withdraw from any agency which undertakes to represent companies which are not members of S.E.U.A. and refuse to enter agencies which represent fire insurance companies which are not members of S.E.U.A. and have actually done so;

"Threaten to boycott and withhold patronage from persons purchasing fire insurance from companies which are not members of S.E.U.A.;

"Agree to disparage and have disparaged the services and facilities of fire insurance companies which are not members of S.E.U.A.;

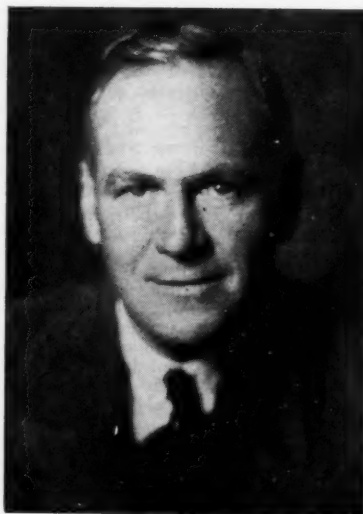
Inspection Bureaus

"Agree to establish and maintain, and have established and maintained, inspection and rating bureaus in the states of Alabama, Florida, Georgia, North Carolina and South Carolina to police, strengthen and further the agreements and practices set forth herein and have policed, strengthened and furthered such agreements and practices through the medium of said inspection and rating bureaus;

"Agree to establish and maintain, and have established and maintained, local boards and groups of fire insurance agents in the states of Alabama, Florida, Georgia, North Carolina, South Carolina and Virginia, and certain cities in said states, to police, strengthen and further the agreements and practices alleged herein."

The indictment names individually 27 officers and employees of the S.E.U.A. No individuals are named in connection with the companies. The individuals named are: Louis P. Jervey, president, Atlanta; Ashby E. Hill, vice-president, New York; Lloyd T. Wheeler, manager-secretary, Atlanta; Paul B. Hulfish, assistant secretary, Atlanta; the 18 members of the executive committee, R. M. Anderson, R. B. Barnett, Dowdell Brown, Esmond Ewing, M. H. Grannatt, J. H. Hines, Charles M. Jerome, Ronald R. Martin, R. W. Michael, E. N. O'Beirne, A. R. Phillips, Langdon C. Quin, Thomas J. Sutherland, A. H. Turner, B. C. Vitt, J. M. Waller, Henry P. Whitman, and Caspar S. Whitner. The following rating and inspection bureau managers were also named: L. P. Goodwin, Montgomery; R. P. Goodlee, Jacksonville; E. H. Dennington, Atlanta; Landon Hill,

H. C. Thorn President of Marine Institute



F. B. McBRIDE

H. C. Thorn of the North America has been elected by the directors as president of the American Institute of Marine Underwriters succeeding F. B. McBride of Fireman's Fund. The new vice-president is H. E. Mance of Appleton & Cox; treasurer, T. J. Goddard, Chubb & Son, and secretary, Ernest G. Driver.

Raleigh, and James R. Parker, Columbia, S. C.

Frank H. Elmore, Jr., assistant attorney general in charge of the probe, appeared in Atlanta Friday morning unannounced. He was accompanied by Manual M. Gorman, special attorney. Neither Elmore nor J. Ellis Mundy, acting U. S. district attorney, would admit that anything was in the wind until after the indictment was announced by the department of justice in Washington.

Even then Elmore was non-committal in discussing any phase of the probe or indictment not covered by the record. He declined to indicate whether he would argue the motion to quash the grand jury subpoenas which is set for hearing Dec. 14, almost a month before Jan. 13 when the indictment is returnable.

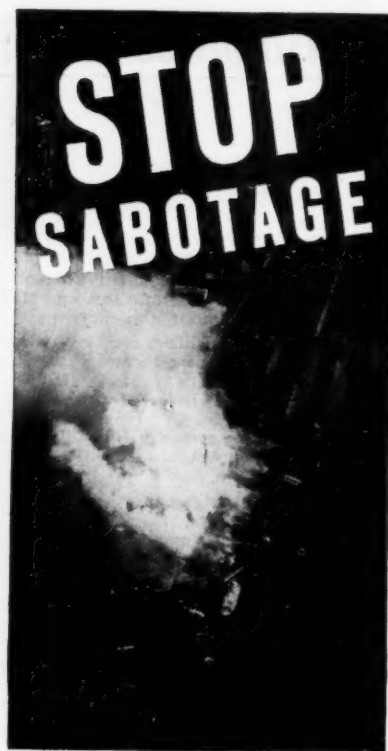
Brings Out States' Rights Issue

The surprise indictment of the South Eastern Underwriters Association by the Atlanta federal grand jury conducting the fire insurance probe seems destined to force the states' rights issue to the forefront. Apparently designed by Frank H. Elmore, Jr., in charge of the probe, as a means of avoiding the Paul vs. Virginia decision, it may provide two fronts on which that issue may be urged.

Whether or not Mr. Elmore will ask for a continuance of the hearing set for Dec. 14 until after the indictment is tried is a question which he would not discuss on Friday before he returned to Washington.

"That is in the lap of the gods," was his only comment. Referring to the possible intervention on states' rights grounds by one or more southern states, he said: "Please say that no subpoenas had or would be served on state insurance commissioners." It is definitely known that Governor Dixon of Alabama and Governor Broughton of North Carolina are each considering possible legal moves which would serve to protect the states from the establishment of precedent which might later be used to upset the regulation of railroads, public utilities and similar matters on which the states depend for a considerable revenue.

Whether or not the Southern Governors' Conference would act as a body could not be learned.



LURKING in the minds of thousands, a demented desire to serve a false idol prompts many to commit costly sabotage that could, if not checked, lose us our freedom.

Every true citizen will serve his country well by keeping his eyes open and help nip this evil in the bud.

Experienced agents of the Eagle Fire Company are contributing to this phase of the war effort by arranging for proper insurance and periodic inspection of our war production plants.



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ESTABLISHED 1806

OLDEST NEW YORK INSURANCE COMPANY
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Our services chart a safe course through problems involving property insurance protection.

The AMERICAN APPRAISAL Company
CONSULTANTS IN PROPERTY ECONOMICS

Hilgemann Assails DPC Coverage Arrangement

(CONTINUED FROM PAGE 1)

and counsel to their clients of various kinds.

He said that he questions the statement that unless DPC terms were accepted, all of the business of the DPC would be left uninsured.

If the companies were faced with the necessity of reducing the net cost of insurance of the DPC, other solutions were possible. Two new theories were advanced, the first being that a risk is entitled to a 10 percent reduction in rate by reason of ownership and not physical hazards and also this is the first time that the insurance buyer has named the amount of commission that a company may pay an agent. Why, he asks, could the companies not have insisted that the contribution to the 10 percent rate reduction be arranged between the companies and the agents?

In practically every DPC risk which his office has handled, Mr. Hilgemann states that the property owned by the DPC is a unit or addition to a risk already written by the companies. He asks how a 10 percent reduction on one part of the building could be justified and none on the other part that is still owned by the policyholder.

The contracts that he has seen, Mr. Hilgemann declared, do not provide for payment of premiums by the DPC. On plants under construction the premium charged while under builders risk, is paid by the DPC until completed and then is charged into the total commitment or loan made for the cost of construction and facilities furnished. After the plant is in operation the operator or lessee must insure the property in favor of DPC, the premium being paid by the operator and charged as part of his overhead. Mr. Hilgemann contends that this discriminates in favor of a concern that has obtained a loan from the DPC and against one who has not.

The War Department rating plan in the casualty field and other plans relating to compensation and public liability have a low acquisition cost but these plans are on an entirely different basis and are keyed to experience, he said.

Mr. Hilgemann states that many of the plants now being constructed under DPC authorization are inferior as to materials used and there is lack of automatic sprinklers. Hence he expresses the belief that the experience will not justify the rate reduction. Because of the inferior construction, he said the agents are beginning to encounter situations where the amount of insurance required is unobtainable by reason of lack of fire protection and automatic sprinklers. The agents have a problem in placing the excess insurance after the capacity of the underwriting associations is exhausted.

Mr. Hilgemann said that no important agency can operate efficiently at less than 8 percent of its premiums and if insurance is to be written on a net cost basis then the agents ought to have the opportunity of presenting their cost figures.

Mr. Hilgemann goes on to say that he fears the pending consolidation of the three factory insurance associations is partially at least for the purpose of

writing insurance on properties of national ownership and not necessarily risks of superior classification.

MICH. APPROVAL WITHDRAWN

LANSING, MICH.—Without immediate explanation, Commissioner Berry of Michigan has suspended approval, given a week ago, to a proposed 10 percent reduction in premiums on Defense Plant Corporation coverages.

The commissioner's letter, directed to the Michigan Inspection Bureau which had filed the reduced rates in behalf of its subscriber companies, stated merely:

"In connection with the application under date of Nov. 3, 1942, of the Michigan Inspection Bureau's request for the approval by the Michigan insurance department of the reduction of 10 percent on premiums on all fire, extended coverage, vandalism, and malicious mischief, and sprinkler leakage insurance on Defense Plant Corporation risks, the approval dated Nov. 4, 1942, is suspended pending further negotiations."

OHIO HAS NOT APPROVED

The Ohio insurance department has not approved the rate reduction of 10 percent asked by the Defense Plant Corporation. There was a meeting in Columbus last week of agency leaders to discuss the situation, but no action was taken.

WDC to Name Agent Cooney Named N. A. Investment Head

Philip H. Cooney has been appointed manager of North America's investment department. Mr. Cooney succeeds John W. Drayton, financial vice-president, who died recently.

Prominent in Investment Field

Mr. Cooney has been manager of the investment department in the New York office of North America. He is widely-known in the investment field, particularly in the New York financial district. Prior to joining North America in 1938, Mr. Cooney had been associated for 13 years with the investment brokerage firm of L. F. Rothschild & Co. in Wall Street. He is a graduate of New York University, and served in the navy during the last war.

Announcement by Harrington

Commissioner Harrington made public these facts at a meeting of the Bay State Club at its annual "Insurance Night."

Commissioner Harrington also added that the appointment of a "resident agent" or representative for the War Damage Corporation would make it unnecessary to continue the countersign-

ing of WDC policies by local agents in the future.

The commissioner made a plea for closer cooperation for an agreement on border line coverages between the companies and the corporation to determine once and for all how far the companies cover and to interpret the standard form policy as broadly as possible, to prevent dissatisfaction and confusion in the minds of the public.

SHE WON'T TALK!

Will You?

THE ENEMY HAS EARS

WE hope this poster will remind the insurance fraternity that it is in this fight too. They too must enlist in the silence campaign.

Copies of this poster, size 9 x 12 inches, will be furnished any insurance agent for window display

purposes. The Employers' Group imprint appears on the back of the poster. For copies write A. R. P. Department, The Employers' Group, 110 Milk Street, Boston. Please order by form number which is S428.



Manufacturer, out of business account increased cost of production and price ceilings, desires connection. Insurance experience: 6 years local agency, 19 years with one company as state agent and adjuster. 4 years independent adjuster middle west and south. Executive ability. Address Box Q-89, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

FIELD POSITION WANTED

In middle west, preferably Wisconsin. Twenty years' experience embraces fire and casualty underwriting in home office and general agency, special agent and payroll audit work. Some inspection and claim experience. Married; age 42; draft status 3A. Address Box Q-89, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

EDITORIAL COMMENT

Harry Hopkins and Insurance

HARRY HOPKINS' statement in an "American Magazine" article that the insurance business would be called upon to furnish 300,000 of its employees as its part in civilian mobilization to step up the war effort has caused much talk among insurance men. Life men are particularly interested in Mr. Hopkins' statement that if the \$10,000-a-year executive can't pay his life insurance premiums out of the \$3,000 a year he earns working for a war plant it will be just too bad about his life insurance.

One possibility that has been suggested is that in the event of such a compulsory mobilization of civilian manpower the soldiers and sailors civil relief act be extended to cover cases of civilians who are forced to leave high-paying jobs to accept lower salaries in work that is more essential to the prosecution of the war. It is true that at the moment such an idea seems far-fetched but it would be just as well to get set for any conceivable developments.

A great deal of Mr. Hopkins' article seems fantastic at the moment. But even so recently as a year ago most people would have considered it incredible that this country would be strictly rationing automobiles, tires, gasoline, sugar and coffee within the ensuing 12

months, with additional restrictions on many other commodities in the immediate offing.

As far as life insurance is concerned, the most disturbing part of Mr. Hopkins' article is not the possibility that men shifted into lower-paying war industry jobs may have difficulty paying their premiums but rather the callous attitude toward this situation expressed by a man high in the President's councils. To the man making a substantial salary, including those who make much more than \$10,000 a year, life insurance is usually the most important thing he owns. If he is forced to drop all but a nominal amount of his protection there is a dangerously large chance that he will not be able to replace it when the war is over and he leaves his place on the assembly line to get behind an executive's desk.

Of course Mr. Hopkins was dealing with many matters besides life insurance in his article and is perhaps to be pardoned for taking a rather offhand attitude about men's life insurance. We hope this is the explanation rather than evidence of a belief on the part of one so influential in the government that life insurance is something a man can dump overboard for the duration as a not too important casualty of war.

Coordination or Duplication?

WE note that the Insurance Producers Association of the United States is being proposed to include brokers, solicitors, local and general agents and any others in the field of production. We need several more organizations in the insurance business to add to the gaiety of nations, convention and operating expense. We need more organizations that will overlap one another having the same people who are members of other similar organizations.

It occurs to us that the proposal of an association of this kind is most unwise and untimely. We have the National Association of Insurance Agents, the National Association of Insurance Brokers, National Association of Mutual Insurance Agents, National Association of Casualty & Surety Agents, various state associations of insurance agents, all in the producing field.

The American Association of Insurance General Agents while not directly engaged in soliciting business, is supervising agents. Inasmuch as the new association proposes to open membership to general agents, the American Association people would have to be

recognized. An organization was started in Boston of associated agents and brokers to combat direct writers.

It is thus seen that the field of organized producers is very well established. Every branch of the business is covered and the organizations are doing splendid work.

If any other association in insurance is needed we would suggest that there be established a committee of coordination composed of all branches of the business that can consider subjects of vital interest to all concerned regardless of their organized complexion. There is real need for insurance people to walk in step and be united these days. Insurance as an institution should stand out even more boldly than any of its classified or divisional organizations. This committee on coordination might well include a limited number of leaders in the fire and casualty field including company officials as well as producers.

There are issues arising from time to time involving insurance as an institution in which all in the business are interested. The coordination committee

certainly could assemble facts and figures and arguments that could be presented at any time when needed. Such a committee need not take up the cudgels of any specific branch unless the business in its entirety were directly affected. In these war times it is hardly necessary for private business to have a care for itself, but there should be immediate machinery that could be put in

motion in case defense measures are needed. However, we should not wait until the time comes for defense due to an attack but there should be an enlightened program to offset the prejudices and misconceptions in the public mind regarding insurance.

We are hearing much about unified control in our armed forces. The same principle should apply to insurance.

What Private Enterprise Does

E. A. HENNE of Chicago, vice-president of the America Fore in charge of the western department, in serving as chairman of an insurance panel discussing war damage insurance before the Chicago Insurance Club, stated that the War Damage Corporation occupied a single office in Washington, D. C., and had but a few employees, not a half a dozen. He drew the conclusion that this shows what private insurance companies have taken off the government's hands. If the federal government at-

tempted to organize a bureau to market this insurance and take care of all the details a large number of people would be required at headquarters and in the field. Private companies assumed the responsibility through their agency system and their office machinery to do all the work and turn the net premiums to the government. This has been done in a remarkably efficient way. It is an example of what the government can do in cooperation with private enterprise.

PERSONAL SIDE OF THE BUSINESS

Edward J. Hardin, vice-president Retail Credit, was married to Miss Eleanor Patterson, Bryn Mawr, Pa., daughter of Mr. and Mrs. David N. Patterson of Bryn Mawr, at the Madison Avenue Presbyterian Church in New York City. After a wedding trip in Montreal and Quebec, they will make their home in New York.

Frank Ney, former president of the Fred L. Gray Co., of Minneapolis, and a veteran of two wars, who is wintering in Houston, Texas, offered his services to the army recruiting station there and is reported to be doing a fine job of "selling" the army to recruits in that area. Mr. Ney served in both the Spanish-American and first world wars and is known affectionately among insurance men as "the Sarge." He is now retired from the insurance business.

Jess Riddle, former general adjuster in Iowa of the Western Adjustment, has returned to Des Moines from California to look after his farm and other interests in the state. He moved to California upon his retirement last spring.

Wilson S. Levens, Chicago independent adjuster, who was taken to St. Francis Hospital in Evanston, Ill., Tuesday of last week for an operation due to a ruptured appendix, is now practically out of danger although at the time his case was considered very serious.

Fred E. Steele, secretary and Frank A. Schlesinger, vice-president and treasurer, were honored by Springfield Fire & Marine at a luncheon on Mr. Steele's 40th and Mr. Schlesinger's 35th year with the company. Both men were presented with suitably engraved silver pitchers. President Walter B. Crutten-den was toastmaster and William A. Hebert, vice-president, made the presentations. The company's entire official head office staff attended.

Mr. Steele joined Springfield July 1, 1902. He was appointed general agent

in 1919, was elected assistant secretary in 1922, and secretary in 1932. For some time he has been underwriting officer for New England business.

Mr. Schlesinger joined the company Nov. 1, 1907. In 1919 he was elected assistant treasurer, and in 1928, treasurer. Subsequently he became vice-president of the Springfield companies.

Frank Yetka, former insurance commissioner of Minnesota, has been elected county attorney of Carleton county, Minn. He was in that office when Governor Floyd B. Olson named him commissioner.

Lewis H. Wallace, assistant treasurer of the Anderson-Hopkins agency of St. Joseph, was elected to the Missouri legislature from the first district in Buchanan county. He is a son-in-law of L. V. Anderson of the agency.

Andrew A. Cafferata, Chicago fireman who received the Chicago "Tribune" \$100 heroism award, until three years ago was an automobile adjuster for North America in his city and had been so employed about 15 years. He was cited for having rescued three children from a burning building. He is now recovering from injuries suffered at another fire.

Milton C. Miller, Kentucky state agent of Royal-Liverpool, is in a hospital in Louisville as a result of sudden illness that the doctors had difficulty in diagnosing.

William Kingsley, Kentucky state agent of Travelers Fire, who has had his right arm in a cast for ten days, is able to use it again, the cast having been removed.

George E. Edmondson, Tampa general agent and grand guardian of the Blue Goose, flew 1,100 miles from his home city to Columbus to attend the Ohio State-Michigan football game. He arrived in Columbus Friday night and

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SAN FRANCISCO OFFICE — 507-S-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Res. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

was entertained by the officers of the Ohio pond. Mr. Edmondson has traveled 25,000 miles this fall to see football games and 385,000 miles in all.

Paul J. Braun, public fire protection engineer of the Washington Surveying & Rating Bureau, underwent a serious spinal operation, which was successful, and is now convalescing at the Maynard Hospital, Seattle. He will need to have a month or six weeks' rest before returning to work.

Percy M. Marshall, regional manager of the Royal-Liverpool groups at Dallas, and Mrs. Marshall have announced the marriage of their daughter, Miss Emily White Marshall, to Major Carroll D. Paul. The wedding took place in El Paso.

Robert E. Fergus, former New Mexico manager for Cobb & Stebbins at Albuquerque, has joined the defense plant protection service of the Chicago service command and is now attending a special industrial safety engineering course at the Illinois Institute of Technology. He formerly was with the Mountain States and Kansas Inspection Bureaus.

George E. Jones, vice-president and secretary of Northeastern of Hartford, was guest of honor at a dinner given by his associates to mark his 25th anniversary with the company. He was presented a silver service and other gifts.

Friends of **E. B. Berkeley**, president of the Ohio Association of Insurance Agents, the Insurance Board of Cleveland, and the Cleveland Insurance Agency, will be glad to know that Mrs. Berkeley, who was seriously ill at Lakeside Hospital, is now home and recovering steadily.

Dick Rogers, 18 year old son of **Harry K. Rogers** of the fire prevention department of the Western Actuarial Bureau, Chicago, was home on furlough this week after participating in the action of North Africa. Young Rogers was a torpedoman aboard a ship that was one of the first to reach a North African port.

DEATHS

M. J. Martin, 55, of Syracuse, special agent of Hanover Fire in northern New York state, died unexpectedly of a heart ailment in the Buffalo Athletic Club. He felt ill and called a physician from his room but he was dead when the doctor arrived. Mr. Martin went with Hanover in 1927 and previously he had been connected with the rating department of the New York State Underwriters Association.

George W. Hyams, 59, special agent in the arson division of the National Board for 15 years, died at St. Elizabeth's Hospital in New York after an illness of about a week.

Felix Penn, 49, who organized the A. F. Penn & Son agency in Ashland, Wis., with his late father, died there from heart trouble after a lingering illness. Mr. Penn became owner and manager of the agency, with which a brother, Theodore, is now associated.

F. A. O'Mara, vice-president of the E. W. Shaw Company general agency, Denver, and long active in the Rocky Mountain field, died unexpectedly in his sleep. Before going with the Shaw company he was with the Roy Wilcox general agency, and at one time had been a field man for Commercial Union. He spent some time with the Mountain States Inspection Bureau. He was chairman of the fire prevention committee of the Mountain Field Club at the time of his death.

Thomas A. Murrell, 70, died from a heart attack at Columbia, Ky. At one time a general agent at Louisville, he returned to Columbia five years ago and opened a local agency there.

Harry A. Stevens, 71, for several years president of the Insurance Brokers Association of Massachusetts, and long an aggressive and able legislative agent for insurance interests, died in a Boston hospital. He was one of the

N.A.U.A. Assistant Manager Dies



STEWART H. DAVEY

Stewart H. Davey, assistant manager of the National Automobile Underwriters Association, died during the night Monday at his home at Plainfield, N. J. He had been at the office Monday and appeared to be in good health, except for a cold. He was 51 years of age.

Mr. Davey had been assistant manager of the N.A.U.A. since 1934. The position of assistant manager was created when he went with the organization. He started in the business in 1907 with Royal at the New York head office and advanced through various positions until he became head of the sprinklered risk department in 1916. After serving in the army he returned to Royal as counterman in the New York local department in 1919. Then in the same year he went with Yorkshire as special agent in New York and New Jersey. Later for five years he was in the Ohio field for Yorkshire and part of that time also handled Michigan and Kentucky.

Mr. Davey in 1926 was brought into the New York head office of Yorkshire in charge of the automobile department, general agency plant and field men. He was appointed assistant U. S. manager in 1930 and also was elected vice-president of Yorkshire Indemnity. He was elected vice-president of the affiliated Seaboard when that company was organized in 1929.

Mr. Davey was a member of the reorganization committee when the N.A.U.A. was established.

best known and active brokers of metropolitan Boston and for some time had been connected with Boit, Dalton & Church.

George T. Gray, special agent in northern California for Selbach & Deans, died at his home in Lafayette, Cal. He formerly was with London Assurance.

A. F. Anderson, local agent at Hibbing, Minn., was killed in a hunting accident.

Panel Discussion at Santa Ana

The Insurance Exchange of Orange County, at its meeting at Santa Ana, Cal., staged a panel discussion of "Diagnosis of a Sale," with A. P. M. Brown, Anaheim, Cal.; William Martin, Santa Ana; A. J. Uuvila, special agent Pacific National Fire, and Karl F. Glassbrenner, special agent Glens Falls, as participants.

Minn. Eliminates Three Schedules

ST. PAUL—To lighten the task of companies in filing statements during the war emergency, Commissioner Johnson of Minnesota has advised that they may eliminate special schedules on three pages required in previous years. These schedules will not be required for 1942.

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Manchester, N.H. Organized 1869
CAPITAL \$3,000,000

Granite State
FIRE INSURANCE COMPANY
Portsmouth, N.H. Organized 1885
CAPITAL \$1,000,000

American Auto Agents have the Answer

All personal liability coverages on a truly automatic basis. The automobile is not even described.

NOW YOU CAN EXTEND YOUR AUTOMOBILE INSURANCE TO COVER ALL PERSONAL LIABILITY HAZARDS

It's the kind of protection you have always needed in one Comprehensive policy

These are the Hazards — which may result in injury or damage for which you can be held liable.



Premises Hazards



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Other causes

In many cases the cost will approximate premiums heretofore paid for automobile insurance alone.

These are the Claims — which may result from the hazards.



Bodily Injury



Sickness



Automobile Accidents



Property Damage

These are the Costs, Damages, and Expenses — our Comprehensive Personal Liability Policy pays for you.



Legal damages—medical expense—defense in court—all court costs—cost of investigation—premiums on bonds for release—premiums on bonds for appeal—interest on judgment



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Portland • St. Louis • San Francisco • Seattle

The NATIONAL UNDERWRITER

November 26, 1942

CASUALTY AND SURETY SECTION

Page Fifteen

Give Heed to Social Coverage, Blanchard Urges Actuaries

Can Serve in Many Ways, Says Casualty Actuarial Society's Head

NEW YORK—The casualty actuary, whether motivated by social consciousness or by self-interest, should devote considerably more attention to the social insurance field, Ralph H. Blanchard, professor of insurance Columbia University, suggested in his presidential address at the annual meeting of the Casualty Actuarial Society.

The casualty actuary can be of great usefulness in giving technical guidance to governmental action, in determining the lines to be drawn between social and private insurance and in conducting private insurance in the light of the present and probable future development of social insurance, Mr. Blanchard said. Above all, he warned, the casualty actuary "should avoid shutting himself up in his present corporate bailiwick, where he is insulated from outside and possibly disturbing currents."



Ralph H. Blanchard

Should Watch Opinion Trends

It is particularly important for the society's members to note and ponder all manifestations of a conviction that private initiative, regulated by supervisory authorities, is not adequately meeting the risk problem of the public, for such a conviction has social insurance legislation as its outlet. Members should be prepared to contribute their best judgment and technical ability to social insurance where that is desirable or inevitable and to conduct private insurance in such fashion as best to satisfy the needs not met by social insurance, for in a rationally organized society the two would be complementary rather than competitive.

"So far, casualty actuaries have had practically no part in the organization, establishment, administration or development of social insurance, other than workmen's compensation," Mr. Blanchard pointed out. "Life actuaries have had some part but they have been more or less on the sidelines. Social insurance has been in the hands of persons highly interested in ends but somewhat impatient with questions of means. And the actuaries, particularly the casualty actuaries, have held themselves aloof—or perhaps their interest has not been aroused."

(CONTINUED ON PAGE 22)

Reinstatement Plan Agreed Upon

Will Restore Non-Cancellable Policies After Demobilization

BOSTON—Two plans have been adopted for handling the reinstatement of non-cancellable accident and health policies of men in the armed services after they are demobilized, by seven Massachusetts companies following a conference with Commissioner Harrington. Policyholders now in or entering service will be given a choice of one or both of the following privileges:

A. The company will guarantee to restore to the policyholder, at termination of his military or naval service, his right to continue the policy in force by payment thereafter of the premiums stated in the policy. In consideration of this guarantee, the company may require the payment of a reduced premium during the period of suspended benefits, or the payment of a single sum either at the time the coverage is suspended or when it is restored. The reduced premium will vary with the length of the policy coverage and with other policy provisions, but in no case will it exceed 40 percent of the regular premium and in most cases it will be substantially smaller.

Guarantees Restoration

B. The company will guarantee to restore to the policyholder, at termination of his military or naval service, his right to continue the policy in force by payment thereafter of premiums based on his attained age at the date of termination of military or naval service, according to the schedule of rates in effect at the time the policy was issued.

Under either A or B:

1. Restoration of the policy will be made without evidence of insurability.
2. The company may require that in order to be eligible for this program the policyholder must make written request prior to the time of suspension of benefits or within 31 days thereafter.
3. No coverage is to be provided for any disability due wholly or in part to any accident or illness originating during the period of suspension of benefits.
4. The right to restore the policy as herein provided will continue for a specified period, not less than 31 days nor more than six months, following the termination of military or naval service.

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3. No coverage is to be provided for any disability due wholly or in part to any accident or illness originating during the period of suspension of benefits.

4. The right to restore the policy as herein provided will continue for a specified period, not less than 31 days nor more than six months, following the termination of military or naval service.

All Eligible for Privileges

With regard to the treatment of policies which have already lapsed the companies have agreed that:

Any policyholder who has lapsed his policy since entering service will also be eligible for the same privileges, provided he makes written request within six months after Nov. 1, 1942.

With regard to the coverage of policyholders who continue their policies in force while they are in military service the companies have agreed that:

The policies vary somewhat in their provisions affecting the coverage of men in service, but in general the companies are interpreting the policies not to exclude land service in continental United

(CONTINUED ON PAGE 23)

Give Decisions Under Relief Act

Cases Involving Auto Liability Question Introduce Much Confusion

Five decisions in three cases under section 201 of the Soldiers and Sailors Civil Relief Act have introduced about as much confusion as could be expected. This section requires a court to postpone a suit against men in the services unless serious injustice will be done by the postponement. In two of the three cases liability insurance companies were interested in the defense while in the third case insurance was not mentioned. All were automobile cases. All five decisions were in the federal courts, one being in the circuit court of appeals, sixth circuit, and the others in district courts.

In Royster vs. Lederle the federal judge at Detroit ordered a continuance of a case in which the defendant had been inducted into the service. The suit was for \$10,000 and the insurance \$5,000. The injured offered to look only to the insurance company for reimbursement, but the local court nevertheless entered the order for continuance. The injured appealed and the circuit court of appeals rendered a decision that the insurance company should file a bond of \$5,000, the amount of insurance, with the clerk of the Detroit court, to guarantee the payment of any judgment that might be rendered when the case came to trial. Otherwise it threatened to require that the continuance order be vacated.

Ruling in Oregon Case

In Swiderski vs. Moodendaugh the district court for Oregon refused to stay a suit against a man in service. After this decision was made, the court was informed of the ruling in the sixth circuit court of appeals and the Oregon judge rendered another opinion. The judge said the reasoning in the Royster case was not persuasive and refused to follow it. It pointed out that section 201 "indicated that the discretion of the trial court is absolute and without review." There was also an intimation that "they ain't my boss" inasmuch as Oregon is in a different circuit. The injured offered to limit the damages to the amount of insurance and the court ordered the case set for immediate trial.

In Bowsman vs. Peterson, in the district court of Nebraska, the defendant asked that proceedings be stayed during the period that he was in service, and the court made the stay absolute. There was no insurance. The language of section 201 is as follows:

"At any stage thereof any action or proceeding in any court in which a person in military service is involved, either as plaintiff or defendant, during the period of such service or within 60 days thereafter, may, in the discretion of the court in which it is pending, on its own motion, and shall, on application to it by such person, or some person on his behalf, be stayed as provided in this act, unless, in the opinion of the court, the ability of plaintiff to prosecute the action or the defendant to conduct his defense is not materially af-

Casualty Actuaries Drop Spring Meet; Reelect Blanchard

Valuable Papers Are Presented at Annual Meeting in New York

NEW YORK—The Casualty Actuarial Society will drop its semi-annual spring meeting for the duration, it was decided at the annual meeting here. The annual meeting, which is called for under the constitution, will continue to be held.

Ralph H. Blanchard, professor of insurance Columbia University, was re-elected president. Albert Z. Skelding, actuary National Council on Compensation Insurance, and C. J. Haugh, actuary National Bureau of Casualty & Surety Underwriters, were elected vice-presidents, succeeding H. J. Ginsburgh, assistant vice-president of American Mutual Liability, and J. M. Cahill, actuary New York Compensation Insurance Rating Board.

Richard Fondiller, Woodward & Fondiller, consulting actuaries New York City, was re-elected secretary-treasurer. C. W. Hobbs, special representative of the National Association of Insurance Commissioners on the National Council on Compensation Insurance, and T. O. Carlson, assistant actuary National Bureau of Casualty & Surety Underwriters, were re-elected editor and librarian respectively. R. V. Sinnott, Hartford Accident, A. N. Matthews, Travelers, and W. F. Roeber, general manager National Council, were elected members of the council for three-year terms.

Discussion Off the Record

Besides Mr. Blanchard's presidential address in which he urged members of the society to give more attention to social insurance, several papers were presented. The afternoon was devoted to an off-the-record informal discussion of what modifications in the casualty statistical program should be made to offset the shortage of machines and personnel and to recognize the extreme changes in conditions in compensation, automobile and public liability insurance which would lessen the future value of current data.

In his paper on boiler and machinery insurance Seymour E. Smith, Travelers, dealt with coverage and rating procedure, including an analysis of the steps taken to develop the rates in the boiler and machinery rate revision which became effective last May. Mr. Smith gave figures indicating that the experience by classification for boiler and machinery insurance was not materially affected by reason of his military service.

The congressional language is one of the horrors of war.

Explain Plan for Washington Front

N.A.I.A. Program Is Outlined to Company Men, Other Producers Units

The plan of the National Association of Insurance Agents to develop a better understanding of the insurance business on the part of governmental authorities in Washington was outlined at a meeting in New York of representatives of the N.A.I.A., company organizations and other producers associations.

The plan is to be investigated by a subdivision of the public relations committee of the N.A.I.A. under the direction of Sidney O. Smith of Gainesville, Ga. He will be in Washington much of the time prior to the February meeting of the National Board of State Directors. The program envisions better legislative and political contacts, closer working arrangements, understanding between the Washington office of the N.A.I.A. and the various government departments and an increased service to the N.A.I.A. membership.

Enlarge Washington Office

The Washington office is being enlarged. Mrs. Alice H. Potter, who has been assistant to Assistant Secretary William T. Reed, Jr., has been designated as administrative assistant and additional clerical help will be employed.

The association desires to give legislative and political representatives understanding of relation of the fire and casualty business to the economic stability of the country and the service rendered by local agents.

Mr. Smith will look into methods by which the N.A.I.A. can be of greater service to the governmental bureaus and departments. An effort will be made to get proper recognition and representation before all federal departments, bureaus and boards.

Presidents and other officers of state associations have been requested by President David A. North to make arrangements with qualified member agents to interview immediately all new Senators and Representatives elected from their states. The new Congressmen should be told of the availability of the Washington office of the National association for information or assistance regarding all insurance matters and the agent.

Coordination of Interests

It is felt that there is a need for a coordination of insurance interests at the capital, whereby the insurance industry can present a common, intelligent front on all governmental underwriting requirements and trends. During the survey a group of qualified agents will be available for consultations on particular coverage and agency problems in relation to such governmental matters.

The trade association approach to governmental and political matters would be adopted at all times.

Invited to the meetings where Mr. North and Mr. Smith presented an outline of the proposed plan, were: From the National Board: R. P. Barbour, Northern Assurance, president; Esmond Ewing, Travelers, chairman public relations committee; John Thomas, National Union, vice-president; George C. Long, Jr., Phoenix of Connecticut; W. E. Mallalieu, general manager; F. S. Dauwalter, assistant general manager.

Casualty Executives

From the Association of Casualty & Surety Executives: Frank Christensen, Fidelity & Casualty, president; Kenneth Spencer, Globe Indemnity, vice-president; William E. McKell, American Surety, chairman committee on public and agency relations; Joseph Matthai, U. S. F. & G., committee on public and agency relations; Manning Heard, Hartford Accident; Claude W. Fairchild,

Speakers at "Ad" Rally Dec. 3



STEWART McDONALD

Stewart McDonald, chairman and president of Maryland Casualty, will be one of the speakers at the meeting of the Insurance Advertising Conference Dec. 3 in New York.

Alexander Foster, Jr., who will be



ALEXANDER FOSTER, JR.

one of the speakers on the casualty, surety and bonding forum at the conference, is manager of the fidelity and surety department of the Association of Casualty & Surety Executives, New York.

Truck Rate Decision Awaits ODT Rulings

When the National Bureau of Casualty & Surety Underwriters recently announced the drastic rate reductions for private passenger cars, the statement was made that a study was then to be made of the commercial car field and that the decision would largely be influenced by the rulings affecting commercial cars to be promulgated by the Office of Defense Transportation. It was assumed at that time that the ODT would issue such rulings by Dec. 1. It now appears that these rulings will not be issued until after the first of the year and hence it appears that there is likely to be no decision made on commercial car rates until that time.

American Indemnity Names Lancaster at Dallas

Jack Q. Lancaster, formerly local agent at Corpus Christi, Tex., and later special agent for Cravens, Dargan & Co., Houston, has been appointed manager of the Dallas office of American Indemnity, with headquarters in the Kirby building.

general manager: Ray Murphy, assistant general manager.

Also invited were William Leslie, general manager National Bureau of Casualty & Surety Underwriters; Douglas Erskine, secretary Insurance Executives Association; Milton W. Mays, director Business Development Office, and Martin W. Lewis, president Townner Rating Bureau.

At a separate meeting held the same day, the proposed program was presented to a group representing casualty agents' and brokers' organizations. Those invited were: From the National Association of Casualty & Surety Agents: William D. O'Gorman, Newark; John T. Harrison, New York; John O'Neil, Boston.

From the Insurance Brokers Association of New York: Carlton O. Pate, president; Courtlandt Otis, Johnson & Higgins; Julian Lucas, Davis, Dorland & Company; Warren W. Ellis, assistant to the president.

National Association of Insurance Agents representatives present were Mr. North and Mr. Smith, Secretary J. B. Miller and Treasurer George W. Scott, New York, and William T. Reed, Jr.

Urge Stockholders to Accept Offer of Commercial Credit

Mackubin, Legg & Co. of Baltimore, which has been authorized by Commercial Credit Company of that city to buy in the shares of Manufacturers Casualty of Philadelphia at \$40, plus \$1 a share brokerage fee, has sent out a message to stockholders of Manufacturers Casualty strongly urging them to accept the purchase offer. Stockholders have received a formal notice of the offer of Commercial Credit to purchase all of the stock of Manufacturers Casualty at \$40, less federal and state of Pennsylvania stamp taxes provided a minimum of 51 percent of the stock is offered for sale within the time limit set which is Dec. 3, unless C.C.C. extends the time for deposit of shares for a further period of not more than 20 days. Commercial Credit, however, reserves the right to accept less than 51 percent.

Mackubin, Legg states that prior to the stockholders' meeting in January there was an unsuccessful proxy fight to elect a majority of the directors and reinstate the old management. Mackubin, Legg strongly supported the present management in obtaining proxies. Some of the directors in favor of the old management, according to Mackubin, Legg recently expressed determination to regain control through another proxy fight at the stockholders meeting in January, 1943, in the event control does not pass to the C.C.C. under the present offer.

Proxy Fight Would Be Harmful

Mackubin, Legg expresses the belief that another proxy fight will be definitely harmful to the company and disturbing to agents, policyholders and stockholders. When the first offer of purchase by C.C.C. was submitted to the directors of Manufacturers Casualty on Oct. 13, the stock was selling at about \$33, so that the stockholders were given the opportunity of obtaining \$700,000 more than the then prevailing aggregate market value of the outstanding stock. Since that date there has been a sharp advance in the market price.

The book value of the stock as of Aug. 31 as represented by capital, surplus and general voluntary reserve was \$39.30. The liquidating value was estimated by Joseph Froggart & Co. at \$50.43 on Aug. 31, and by the management at \$51.59. The price of \$40 is approximately 20 percent under the liquidating value. Such a discount is not unusual.

Mackubin, Legg voices the opinion that the two factions on the board are not reconcilable and will continue to fight for control. By accepting the present offers, stockholders could advantageously withdraw from the situation where the internal friction has been detrimental to the best interests of the company.

Letter from R. N. Rose

There is included with the Mackubin, Legg message copy of a letter from Robert N. Rose, executive vice-president of Manufacturers Casualty, to President William F. Fischer dated Nov. 12. During the first nine months of this year, Mr. Rose stated, premiums written were \$4,092,569, which was a decrease of 6.95 percent. However, the earned premiums showed an increase of about \$300,000 over 1941 and it is estimated that the writings for the full year will be about \$5,000,000. As of Sept. 30, assets were \$10,657,350, which was about \$300,000 greater than Sept. 30, 1941. The premium reserve was \$2,140,366, compared with \$2,546,023 the previous year and net surplus was \$2,390,904. Mr. Rose stated that Manufacturers Casualty stands high from the standpoint of liquidity and probable adequacy of loss reserves.

Manufacturers Casualty owns and
(CONTINUED ON PAGE 20)

National Safety Council to Intensify Its Activities

NEW YORK—A campaign to raise a \$5,000,000 war production fund to conserve manpower is being launched by the National Safety Council in an effort to intensify its efforts in curbing mounting casualties on the home front which are exceeding those on the fighting front. Particular stress is being placed on the fact that only one in eight industrial establishments have definite safety programs and that three out of five workers injured are disabled off the job.

Plan to Intensify Program

Under its expansion program the National Safety Council plans to provide more technical assistance to plants already having safety programs and to introduce safety measures in the thousands of plants now unprotected. New safety councils will be started in strategic war production centers and established councils will get help in expending their activities. A great deal of thought has been given to plans for extending the safety-training programs in public schools, trade schools and engineering colleges. A strong effort will be made to educate the general public in safety, and for this purpose greater use will be made of the press, magazines and radio. Methods for handling congested traffic in war industry centers will be tried out. The problem in handling traffic to facilitate great troop movements is on the council's agenda.

Use Older Men as Mail Clerks

One of the large casualty companies, which has heretofore started most of the beginners in its home office as mail clerks, transferring them to various departments as they become familiar with operations and show capabilities for advancement, has had to change its policy entirely in that respect, as the supply of younger men has been almost entirely cut off. Its present force of mail clerks is composed of men from 54 to 64 years old. Many of them had retired and were dependent in part at least on their families or had a very limited income. They are very glad to have the opportunity to get on the regular payroll again and are proving possibly more efficient than the younger men, although they do not provide material for promotions as heretofore.

Insurance Men Talk Travelers Wins Minute Man Flag Gas Rationing

If the Decree Is Deferred, Will New Rating Plan Prevail?

Companies that write automobile insurance and producers are watching closely the agitation of some of the members of Congress to have automobile rationing delayed three months. At first this agitation was looked upon as more or less fanciful and impractical. As time has gone on, however, more serious consideration is being given to the subject. Congressmen from other sections than the eastern seaboard where rationing has been in effect evidently have found that there has been considerable discrimination in the rationing process and that politicians are able to get more liberal classification for themselves and for their friends of consequence. Then again the general impression has prevailed that there is no reasonable excuse for rationing gasoline or even fuel oil in the central west. The argument is prevailing that with the 35 miles an hour insisted on and in force that will solve the rubber situation in a more logical way than rationing products of which there is a large supply.

Delay May Bring Complications

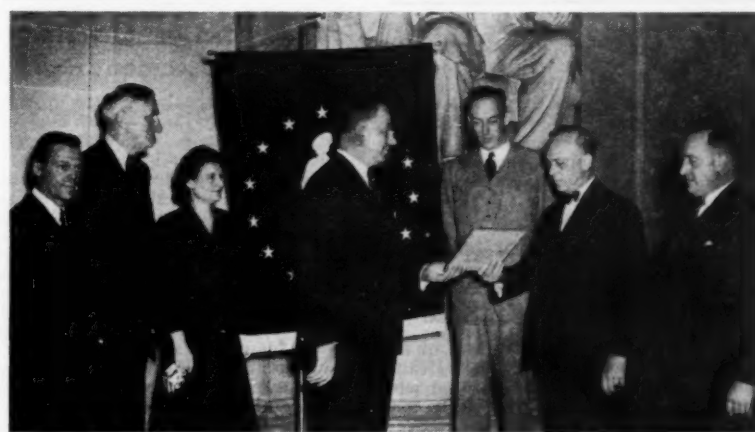
If, therefore, gasoline rationing is deferred for three months and then it may be extended further the whole automobile rating classification from a casualty standpoint may be somewhat dislocated. The new rates promulgated by the National Bureau of Casualty & Surety Underwriters and the American Automobile were predicated on the fact that gasoline rationing would go into effect all over the country. Therefore, taking the cue from the east the new classification was promulgated which means a material reduction from the old rates in bodily injury and property damage.

Experience in Illinois

Take Illinois, for example, which has approved these rates. The insurance department of that state has asked companies to go along with it until July to see what the experience will actually reveal. Illinois, therefore, has taken it for granted that the rationing will go into effect. If, however, it is deferred three months the experience will not be complete. This phase of the agitation is creating considerable apprehension because if there is a deferment it puts the companies in an embarrassing position. They took it for granted naturally that rationing would be put into effect as announced. The congressional coterie that is back of this determined course may not be able to recruit enough support to overcome the federal edict. Therefore the insurance people are simply standing by and waiting to see what will be the consequence.

Predict No Rate Readjustment

Insurance men as a whole do not anticipate any deferment in gas rationing although they are naturally taking cognizance of publicity in that direction and what it may accomplish. Even though gas rationing is deferred the majority of insurance people seem to feel that there will be no readjustment of rates although the present rates were predicated on gas rationing and a 35 mile per hour driving limit. The accident ratio has decreased materially. One feature that will have an effect on drivers is the prohibition of excess tires, that is, over five. That will make everyone having a car using it more cautiously. As a matter of fact, many observers say that the people have been gradually educated to greater conservatism in the use of their cars and it will have a salutary effect all along the line.



Travelers' home office was awarded by the Treasury a "Minute Man" flag and banner for over 90 percent participation of employees in purchase of war bonds under the salary deduction plan. The presentation in Batterson Hall at the home office is depicted here. Those taking part were: Walter E. Batterson, special chairman Hartford war bond committee; Mayor T. J. Spellacy; Mildred E. Adams, president Travelers Girls Club; Oliver B. Ellsworth, chairman Hartford war bond committee;

William F. Robotham, president Travelers Club; L. Edmund Zacher, president of Travelers, and James F. Pilkington, office supervisor.

President Zacher and the representatives of the Travelers Club and Travelers Girls Club accepted the flag and banner on behalf of the 4,800 employees. The flag, which was obtained by enlisting more than 90 percent of the personnel of 50 departments in the home office, was placed in the entrance hall of the Main street building.

Automobile Rate Situation Is Quiet for the Moment

The automobile bodily injury and property damage rate situation has settled down, at least temporarily, with most of the companies outside the National Bureau of Casualty & Surety Underwriters filing rates at the American Automobile level, except Allstate of Chicago, which has filed 10 percent under bureau, and some of the mutuals.

One development in recent weeks is a big increase in sales of six months' policies by companies that offer coverage for the shorter term.

With gasoline rationing imminent, and with other factors of uncertainty, many persons do not want to commit themselves on automobile insurance for longer than six months.

Most of the companies report a steadily improving experience in recent weeks. With gasoline rationing made nationwide, they believe that this improvement will more than offset reductions in rates and that earnings, even with the reduced volume, will be good.

Assigned Risk Plan Moves Ahead

ST. PAUL — Commissioner Johnson reports company subscriptions to the proposed voluntary automobile assigned risk plan are coming in freely, with no rejections up to Nov. 20, but there is some question whether it will be possible to have the plan in effect Dec. 1 as hoped. It should, however, be in operation by the first of the year. The assigning of risks will be in the hands of James F. Reynolds, general manager Minnesota Compensation Rating Bureau.

The Minnesota highway department reports revocations and suspensions of drivers' licenses this year are running ahead of 1941, despite the supposed decrease in motor traffic and the reduced speed regulations.

Tex. Ride Sharing Pact

AUSTIN — Texas Casualty Commissioner Gibbs has requested all companies to file with him a certified copy of a letter from the company to the OPA or to write a letter direct to the commissioner stating that: "The protection afforded our policyholders will not be adversely affected by their bona fide participation in any ride sharing plans sponsored to cooperate with program of conservation of tires and fuel irrespective of declared or rated use of in-

Suits Totaling Over \$5,556,000 Filed

Companies May Be Called Into Chicago Subway Litigation

American insurance companies, and especially London Lloyds, may have to defend themselves against the \$2 suits which have been filed in Chicago over the last year for total damages of \$5,556,738 demanded of the city of Chicago by owners of property abutting the Chicago subway. It is understood the city, which Tuesday filed its first answer to the suits, is intending to turn action over to insurers which signed contractors' bonds. This will place the companies either in the position of defending or of being without recourse from any finding in the actions against the city. All the performance bonds were said to have been signed by American companies.

Chicago is a self-insurer, and nominally the insurers at present are not primarily interested in the actions. However, Duncan & Mount, U. S. attorneys for London Lloyds, and other counsel for companies which are on the subway bonds are watching the Chicago cases. These are principally for damage due to subsidence of soil caused by the subway boring, but some suits are for cost of shoring up buildings to prevent damage. The city passed responsibility for this protection to property owners and contractors did a land office business for a time. One office spent \$100,000 for this protection.

In most of the cases the contractors have been named as party defendants, and in some cases, two or more contractors. This is not true in the cases of Great Northern hotel, Capitol building, Monadnock building and Herlihy Mid-Continent Company. The latter contracting concern claimed \$510,000 damages for alleged losses because of restrictions the city placed on the company while it was engaged in construction of a section of the north State street subway.

Special Defense Staff

Barnet Hodes, corporation counsel, has set up a special staff of attorneys headed by A. J. Resa, head of the city law department's local improvements division. This staff for six months has undergone special training to contest the suits, conferring with subway engineers.

Contractors found a great deal of sand and oozy clay in the tunnel operations, materials which require expert technique to avoid disturbance to abutting property.

When the matter of supplying property damage came up there were two schools of thought as to the risk and the protection it should be given. One set of underwriters decided to limit to damage arising out of accidents caused by negligence of the contractor. The other school represented, it was said, by London Lloyds, gave a broad interpretation by construing gradual settlement or subsidence of soil as being an accident within the meaning of the policy.

As yet the underwriters are not concerned about the suits, since to make the contractors' bond liable requires a showing of the contractor's negligence.

So far there has been no case decided of any real importance in relation to the subway construction. Cuneo Press won a case against the city some time ago for shoring expense which was affirmed by the appellate court and then by the Illinois supreme court. In this case it was said the contractor was held blameless but the city not.

Attorneys say in spite of the large sum claimed, there were surprisingly few suits in consideration of the great difficulty in doing the job. Many more had been anticipated. A very few have been settled out of court.

Illinois Federation Names Two Executive Officers

L. S. Jones, manager Ocean Accident, was elected president of the Insurance Federation of Illinois, and E. Irving Fiery, manager Royal-Eagle Indemnity, was named vice-president at a special meeting of directors this week.

W. Herbert Stewart, chairman auditing committee, rendered its report, which was approved. H. N. Douglass, manager New Amsterdam Casualty, read a memorial resolution on the late E. V. Mitchell, Continental Casualty, federation president, whose death created the vacancy that necessitated the special meeting.

Mr. Fiery was selected for vice-president because of his experience in handling legislative work and so that he may assist President Jones in the heavy legislative season which is anticipated when the Illinois legislature convenes in January. Mr. Jones announced the Insurance Advisory Council, composed of representatives of insurance organizations in Illinois, will be organized promptly so that it may begin soon to function on legislative work.

Allergy Troubles Appear Among War Workers

As a result of the many new industrial processes that are being employed in war industries today and as a result of the employment of thousands of new workers, it is reported that there are developing many allergy afflictions on the part of workers. This may possibly cause claims to be made under occupational disease coverage in some states and the insurance companies thus have a direct interest in the situation. Leading dermatologists are said to be watching these cases rather closely.

Lumbermen's Mutual Radio Plan

Beginning Nov. 22, Lumbermen's Mutual Casualty of Chicago is sponsoring Upton Close, news commentator and authority on the far east, over 56 Mutual Broadcasting System stations at 5:15 p. m., eastern war time, each Sunday.

sured automobile and irrespective of application of legal principles, statutes and ordinances affecting registration license or liability." This applies to all accidents occurring on and after Dec. 1.

ACCIDENT AND HEALTH

Lloyd Perkins Is Seattle President

SEATTLE—Lloyd A. Perkins, general agent Pacific Mutual Life, was elected president of the Seattle Accident & Health Managers Club at the annual meeting, succeeding Howard R. Henderson, manager of Massachusetts Protective. Fred C. Becker, Great-West Life, was elected vice-president and U. H. Hangartner, Reliance Life, secretary-treasurer. Dwight Mead, Pacific Mutual, was chairman of the nominating committee.

It was decided to amend the constitution and by-laws to conform with those of the National association. Mr. Henderson received a desk pen set, appropriately inscribed. He was appointed regional director of the National association and plans to sponsor a new club at Tacoma in the near future.

C. C. Thompson, manager Metropolitan Life, expressed the belief that many accident and health life producers who are now leaving the business to engage in temporary war work are making a mistake. He believes a good insurance producer is rendering a vital service by staying on the job he knows best. Protection of income and the family is important to a strong home front. It is here that the well-trained insurance agent can be of most value.

W. L. Waltz, manager of Travelers, stressed the importance of accident and health insurance in building a multiple-line agency field started in the accident and health business.

Butler Salt Lake City Speaker

Speaking at the November meeting of the Salt Lake City Accident & Health Club on "Prospecting," J. T. Butler,

general agent of Aetna Life, said that an agent to prospect successfully must have committed to memory a definite sales talk. Among fruitful sources of leads for prospects he listed policyholders, age changes, office leads, circular letters and personal friends. W. J. McGettigan, Denver, manager accident and health department Security Life & Accident, was a guest.

Service Status Letter to All Cal. Insured Required But Can't Be Used in Sale

Companies which are members of the Bureau of Personal Accident & Health Underwriters have notified insured who are in service that insurance will be continued without change as to any accident which might occur during the man's training period and within continental United States which did not result from actual invasion, combat or bombardment.

Now Commissioner Caminetti of California has ordered those companies to mail a copy of any such letter to every policyholder in that state and to file four copies of such letter in his office, with assurance that a copy has been mailed to every such policyholder in California and that a copy will be furnished to any new policyholder in the state.

However, he bars the use by any insurer of any such letter as a sales argument in the sale or attempted sale of any policy, or as a part of any sales or advertising campaign or program.

Commissioner Caminetti also has ruled that no policy providing for reduction of benefits at a specific age shall be issued to any person who already has reached that age, and that no such clause will be approved unless it

states clearly that the reduction is effective only if the insured passes the specified age after issue of the policy.

Continental Casualty Has "Non-Can" Accident Form

Continental Casualty expects to have on the market by Jan. 1 its new non-cancellable accident policy, which covers accident only and provides virtually the same coverage as the standard bureau accident policy, with the addition of the non-cancellable feature. It provides weekly indemnity for the duration of disability, up to lifetime, and a blanket medical expense rider may be added. The company also will issue a non-cancellable accident-only blanket medical expense policy, comparable to its present "new era" accident policy.

The premium for these forms is approximately 7½ percent higher than for the comparable cancellable policies. They will be available only to commercial type risks classified A, B, C, and D.* All policies will be issued from the home office and for that reason there is a slight reduction in the commission to producers.

Sift 43 Legislative Proposals in California

SAN FRANCISCO—Of the 43 legislative proposals affecting life and disability companies considered by company and organization representatives, producers and members of the staff of the department of insurance, at an all-day conference in San Francisco, 25 have been given to committees for further study and report, 11 were approved and the others either dropped entirely or postponed.

Chief among the measures postponed, at least "for the duration" was that which sought to put the standard provision and approval of policy law into effect in California. Companies felt

that such legislation in these days of manpower shortages would work an unnecessary hardship. An alternative recommendation will be made to Commissioner Caminetti for a measure to give him power to disapprove any policy form or provisions that are "out of line," deceptive or misleading.

In the absence of Mr. Caminetti, the conferences were presided over by Sidney L. Weinstock, deputy commissioner. However, late in the afternoon, Mr. Caminetti made a brief appearance in which he urged that the insurance people eliminate as many unnecessary proposals as possible to relieve the burden on the legislators.

Los Angeles Club Hears Reports on Producers Group

LOS ANGELES—The Accident & Health Managers Club of Los Angeles at its November meeting, in addition to electing officers, heard of the progress being made in organizing a producers association. Kelly Kelso, chairman of the committee in charge of the new group, urged managers to have their salesman participate in the meeting Dec. 2, at which officers will be chosen and the association will start functioning.

W. E. Leiby, Massachusetts Indemnity, read excerpts from the lecture by Attorney Rouel Olsen, expert on tax matters, dealing with the effect of the new tax bill on accident and health insurance, and pointing out particularly the deduction for medical care.

A. D. Anderson, Occidental Life, program committee chairman, had members answer as to the truth or falsity of 22 questions on accident and health insurance. P. H. Ackerman of Miller, Kuhrt & Rosendahl answered 21 of the questions correctly.

Write Powder Plant Office Men

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in explosives plants, such as those at Wilmington, Ill., office employees in such plants are written without any increase in premium. In the one at Wilmington, for example, the office is nearly a mile from the main plant and office employees do not have any access whatever to the plant area. They come and go by an entirely different entrance so that it is felt that there is not any extra hazard in their case.

McNeill Is Committee Head

Clifton W. McNeill, second vice-president of Union Mutual Life, has been appointed chairman of the agency management committee of the Health & Accident Underwriters Conference to succeed R. L. Paddock, Time, who has entered military service. Mr. McNeill has been a member of the committee for some time.

Liberalizes War Restrictions

Loyal Protective Life is voluntarily liberalizing war restrictions to a substantial degree.

Through 1944 at least, Loyal policyholders serving with the armed forces will continue to be protected by their disability policies while on land within continental United States or Canada, not including Alaska or the Panama Canal Zone, exactly to the extent that they would be covered as civilians.

Discuss Meeting Objections

MILWAUKEE—The Accident & Health Underwriters of Milwaukee devoted the luncheon meeting Nov. 24 to a discussion of "Tact in Meeting Objections." The discussion leader was Gene Malone, Time, assisted by Gilbert Diehl and Stanley Olyniec. After a brief introduction, the members participated in a question and answer forum.

Paul Fisher to Continental

Paul S. Fisher, for many years agency supervisor of Hoosier Casualty and for a short time manager agency department of Sterling of Chicago, has joined Continental Casualty in its home office as production manager of the group accident and health department. Continental's group department is planning to make a special drive for labor union groups and Mr. Fisher will give special attention to that class of business. He will also seek to build up further the volunteer firemen groups.

From present indications, Continental's accident and health premiums will show an increase of about \$1,100,000 this year. More than \$400,000 of this is in the railroad department, which has far eclipsed all previous records. The loss ratio for the year so far is unusually favorable.

Oregon Adjusters' Banquet

PORTLAND, ORE.—The Oregon Casualty Adjusters Association held its Thanksgiving banquet Nov. 23. Earl Snell, secretary of state and governor-elect, was a special guest.

George Woodworth is association president; W. A. Brooks, vice-president, and Garner Talbot, secretary-treasurer. Mr. Talbot is completing the term of Fred Hislop, formerly staff adjuster of Travelers, who recently joined the FBI.

COMPENSATION

Arrest Doctor in New York Compensation Probe

NEW YORK—The first arrest in connection with the investigation being conducted into the administration of the New York workmen's compensation act was that of Dr. T. R. Freedman of Neponset, who will have a court hearing Dec. 1. The accused is reputed to have submitted bills to New York City in 10 injury cases, for services far in excess of the number actually rendered. Assistant District Attorney Knapp con-

tended that Dr. Freedman was a member of an alleged ring of doctors and others who conspired to lodge false claims with the city in compensation cases.

Slight Rate Decrease in Minnesota Is Proposed

ST. PAUL—Groundwork for another legal attack on compensation insurance rate making in Minnesota was laid at a hearing before the Minnesota compensation insurance board on the rates proposed by the rating bureau for 1943. W. H. O'Toole, representing the Connolly Contracting Co. of St. Paul, filed a brief protesting the method by which rates are made and charging "manipulation" in favor of the carriers.

This protest was made in spite of the fact that the county court here had just upheld the rate-making procedure. O'Toole, an accountant representing various employers, has attacked the rate-making methods in Minnesota as illegal on various occasions.

H. F. Richardson, secretary-treasurer of the National Council on Compensation Insurance, New York, and James F. Reynolds, general manager Minnesota compensation rating bureau, presented the 1943 proposals and defended them against the attack by O'Toole. The proposals call for increases in manufacturing and general contracting classifications and decreases in all others with a net overall decrease of .2 of 1 percent. Mr. Richardson said this would be the eighth consecutive over-all decrease in Minnesota.

The question of overtime payroll, now before the board for action, came in for extended argument. R. J. Hendershott, representing the Associated General Contractors of Minnesota, argued for elimination of straight overtime payroll, while Mr. Richardson and Mr. Reynolds contended that accounting methods of nearly all employers make this physically almost impossible. The Minnesota rating bureau some months ago formally rejected the proposal of employers to eliminate overtime.

SURETY

Contract Bond Business Now at Low Ebb

NEW YORK—As a general rule, most of the bonding companies have as much premium income for the first nine months of 1942 as they did all of last year. The tremendous expansion of war plants and government construction activity more than made up for the loss of usual peacetime activity. However, contract bond business is now at an exceedingly low ebb and the outlook for 1943 is not promising. Practically all of the new construction for war work has ceased, except for addition and enlargement. Army camps are probably now adequate to handle newcomers. There is not likely to be much more new airport building outside of enlargement and improvement.

County Boards in Neb. Must Pay for Employees' Bonds

LINCOLN, NEB.—The Nebraska supreme court holds that county boards must pay the premiums on all surety bonds required by law from officers and employees. The court said that while the law used the word "may," it must be construed to mean "shall" in order to carry out the intent of the legislature. Being mandatory in character, it creates a binding obligation against the county.

The Douglas county board had claimed the right to choose for which officers and employees it should pay pre-

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miums. Some years ago the supreme court held payment by the county was mandatory, but the 1941 legislature amended the statutes to include a number of other officials.

The court said that when a surety bond is approved and accepted the funds of the county are protected by a modern, statutory method created for the public welfare, and the board's discretion as to incurring the resulting expense terminates. Thereafter it cannot arbitrarily refuse to pay the premium.

Bond Course in Minneapolis

A five weeks course in fidelity bonds is being conducted in the Minneapolis office of Aetna Casualty by D. D. Templeton, superintendent of the bond department. About 20 are enrolled.

Los Angeles Surety Men Elect

LOS ANGELES—The Surety Underwriters Association of Southern California at its annual meeting elected these officers for the ensuing year: President, Ralph S. Possinger, Aetna Casualty; vice-president, George E. Howell, Maryland Casualty; secretary-treasurer, Thomas W. Wisom, National Surety.

ASSOCIATIONS

Fraser Heads Chicago Casualty Managers

J. M. Fraser, manager of London & Lancashire Indemnity, was elected president of the Association of Casualty & Surety Managers of Chicago at the annual dinner meeting. He takes the place of L. S. Jones of Ocean Accident.

The new vice-president is K. O. Saunders, Globe Indemnity, and the secretary is T. E. Barton, Jr., U. S. Casualty.

On the executive committee are C. M. Hayden, Glens Falls Indemnity; H. A. McKenna, Phoenix Indemnity; R. E. West, Century Indemnity; James White, Travelers; R. C. Folley, Fireman's Fund Indemnity; W. C. Eaton, Massachusetts Bonding, and J. B. Munson, Bankers Indemnity.

On the complaint committee are J. L.



J. M. Fraser

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Maehle, American Surety; J. P. Keevers, Maryland Casualty; H. N. Douglass, New Amsterdam Casualty; E. I. Fiery, Royal Indemnity, and V. H. Bartholomew, Standard Accident.

L. C. Knapp, Great American Indemnity, was chairman of the nominating committee assisted by George H. Moloney, Hartford Accident, and B. J. Nietschmann, National Surety.

Blodgett New President of Casualty Adjusters

Warren W. Blodgett of Hardware Mutual Casualty was elected president of the Casualty Adjusters Association of Chicago at the annual meeting. Other officers elected are: Vice-president, James M. O'Connor, Car & General; secretary-treasurer, Robert T. Luce, Casualty Mutual, reelected.

Dr. Chauncey C. Maher of the Cook county hospital discussed, "Heart Injuries and Diseases."

The annual Christmas party will be held in the Sherman Hotel Dec. 8. Representatives of member companies, the Illinois industrial commission, industrial doctors and negligence attorneys in the Chicago area will be guests.

Two Okla. Claim Men in Service

OKLAHOMA CITY—The November meeting of the Oklahoma City Claim Men's Association took the form of a social gathering at the country home of James C. Check, insurance attorney. About 30 attended. The association has two stars on its service flag. George Washington of Employers Liability, formerly vice-president of the association, left recently to join the army and Orbie Siler, insurance attorney, formerly secretary, is in the navy.

The Casualty & Surety Club of Des Moines was shown an official navy motion picture of the battle of Midway through the courtesy of the Des Moines navy recruiting office.

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CASUALTY PERSONALS

H. A. Behrens, chairman of Continental Casualty and president of Continental Assurance, spent two days in Salt Lake City visiting Agency Manager P. J. Purcell. He was en route home from a hunting vacation spent at Sun Valley and his ranch near Ketchum, Ida.

Morgan B. Brainard, president of Aetna Life affiliated companies, observed the 20th anniversary of his election to the post of chief executive. At his request the occasion was marked only by a bouquet of twenty red roses on his desk. During his term of office the companies' volume of business has increased sixfold. Admitted assets of Aetna Casualty have multiplied five times in that time, those of Automobile 2½ times and those of Standard Fire several times.

W. W. Smith, vice-president and manager of London & Lancashire Indemnity, spent two days in Chicago this week on his return to Hartford from a Pacific Coast trip.

James B. Clancy, secretary of Royal Indemnity, has returned to the home office after making visits to Cleveland, Toledo and Chicago.

C. M. Andrews, vice-president and

manager of the insurance department of the Monarch Investment Co. agency, Wichita, Kan., is at his desk on crutches, having broken a small bone in his foot when he stepped into a hole at his farm while attending some live stock. Mr. Andrews, usually one of the high Wichita producers of accident insurance on Hoodoo Day, escaped an accident on that day only to become a victim two days later.

Miss Irene Salzer, assistant in the casualty department of the Haskell, Miller, Grossman & Co. agency of Chicago, died at the age of 52 after an illness of more than a year. She has been connected with the agency over 20 years and previously for a short time was with the Klee, Rogers, Loeb & Wolff agency there.

Capt. John B. Gillespie, 24, son of John B. Gillespie, manager of Standard Accident in Columbus, was killed in action. He enlisted in the marine corps while attending Washington & Lee University in 1938. He attended marine officers' training schools at Quantico, Va., and was commissioned a lieutenant. Later he was made a captain. For a short time he was in the insurance business in Columbus.

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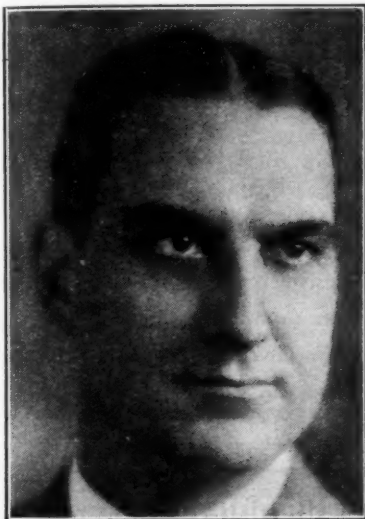
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Topeka

CHANGES IN CASUALTY FIELD

Hall Central Surety Manager

R. E. Hall, who recently has been operating the Whitehall Insurance Agency in the Board of Trade building, Chicago, and who for many years was prominently engaged in surety work on the company side, is now returning to company service as Chicago manager of Central Surety. He takes the place of W. M. Anderson, who has been called



R. E. HALL

to the home office for underwriting work. Until he opened the Whitehall agency Mr. Hall for three years was special representative for National Surety in Chicago and previously for 13 years he was manager of the bond department of Ocean Accident in Chicago. He started in the business with Maryland Casualty in the bond department and when he left he was manager of that division. He is a past president of the Surety Underwriters Association of Chicago.

W. C. Sievert of CAA Joins U. S. Aviation Underwriters

NEW YORK—Will C. Sievert, former air safety investigator for the Civil Aeronautics Authority in the Washington and Chicago regions, has joined the United States Aviation Underwriters home office. Mr. Sievert is widely known in aviation circles and has had several thousand hours total flying time in a wide range of aviation activities. He was a pilot in the last war and remained in the army until 1921. Since then he has been connected with National Air Transport and Universal Airlines, having been chief pilot of the latter line between Chicago and Cleveland. Before going with the Civil Aeronautics Authority he acted as Chicago manager of the committee which was instrumental in obtaining American pilots for the British and Canadian air forces and for trans-Atlantic and English ferrying services.

Holden Aetna Casualty Fla. Agency Supervisor

Gerry R. Holden, Jr., who has been special agent of Aetna Casualty for a part of Florida, has been promoted to agency supervisor for the state. He will continue to maintain his offices in the Graham building, Jacksonville, Fla. Special Agent J. D. Johnson will continue at 905 Telephone building, Tampa. Ralph Pingree, who has been assistant cashier in the Atlanta office under Alfred G. Trundle, manager, has been advanced to acting cashier, succeeding

Hugh L. Quarles, Jr. Captain Quarles is now on active duty at the University of Pennsylvania, Philadelphia.

M. L. Perry Albany Head of American Surety

NEW YORK—After serving as head of the bond department of the Forty-second Street branch of Travelers for the past 2½ years, Milton L. Perry has resigned to become manager at Albany for American Surety, with which he was previously connected. In the latter post he will replace E. A. Mooney, who has been called to serve with the armed forces. Mr. Perry's successor with Travelers has not yet been selected.

C. G. Bevis Indiana Manager of National Automobile

C. G. Bevis has joined National Automobile of Los Angeles as Indiana branch manager with headquarters in the Consolidated building, Indianapolis. He succeeds George C. Moore. The appointment was made by Vice-president J. E. McGuigan while he was in Indiana.

Mr. Bevis for the past 2½ years has been with Utilities of St. Louis. Previously for two years he was with Globe Indemnity and before that for four years with the National Bureau of Casualty & Surety Underwriters.

Swanson Detroit Manager of American Casualty

American Casualty has appointed Arnold Swanson manager of the Detroit office, which services all Michigan agencies.

Mr. Swanson started his insurance career 22 years ago in the Detroit branch office of Travelers. His subsequent experience includes not only company representation but also 10 years of service in the general agency field as manager of the casualty department of Grinnel-Row Company at Grand Rapids.

He left the general agency 3½ years ago to accept a position as Detroit manager for Accident & Casualty Company and served in that capacity until his recent appointment.

Dyke Returns from Service

Harold D. Dyke, formerly casualty manager of Travelers in the Syracuse, N. Y., branch office, has been released from military service and has resumed his active duties in the Syracuse branch.

Spillman Carolinas Manager

Bituminous Casualty has appointed John P. Spillman, formerly in charge of the claim department in the Carolinas with offices in Charlotte, as general man-

In New Ind. Post

Lawrence J. Pierce, who has been appointed vice-president of D. F. Broderick, Inc., in Indianapolis, was formerly state agent in Indiana for Wolverine and was also Indiana branch manager of Buckeye Union Casualty and Buckeye Union Fire.

D. F. Broderick, Inc., is Indiana general agent of Dearborn National Casualty and Dearborn National. Mr. Pierce takes the place of Kenneth E. Kinner, who has resigned.



L. J. Pierce



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ager for both production and service offices. He will be assisted in the production field by Floyd F. Foster, special agent. Mr. Spillman fills the vacancy created by the resignation of Don J. Kelleher.

Paul Simmons with Royal

Paul Simmons, who has been an underwriter of casualty lines in the Chicago office of American Automobile, has resigned to join Royal and Eagle Indemnity in that city as chief underwriter. He has had much experience in the business, having been connected with Maryland Casualty about four years before joining American Automobile and having been with Travelers about eight years prior to that.

Sun Names Detroit Agency

Sun Indemnity has appointed Hoar, Eddy & Ford, Detroit, as general agency for casualty and surety lines. The agency also represents Sun for combination automobile policies and miscellaneous fire lines.

Magner with American Casualty

American Casualty has appointed Edward J. Magner as manager of the bond department at Philadelphia.

Mr. Magner started in 1924 as bond underwriter with Aetna Casualty and later joined Alliance Casualty as assistant bonding manager in the Philadelphia office. Mr. Magner also spent several years as an agency producer in Philadelphia area and has a wide acquaintance among the business men of Philadelphia.

Owens with U. S. Casualty

William A. Owens has been appointed special agent of United States Casualty to operate out of the Chicago branch office and travel northern Illinois. Previously for one year he was a special agent of Preferred Accident traveling Illinois, Indiana and Wisconsin, and before that was an underwriter of Standard Accident in Chicago.

Give Heed to Social Coverage, Blanchard

(CONTINUED FROM PAGE 15)

While it may be felt that unemployment insurance does not lend itself to actuarial treatment and it may be true that it will never be possible to predict losses due to unemployment with even approximate accuracy, Mr. Blanchard said that certainly the planning and administration of this form of social insurance would benefit from the type of analysis in which actuaries are skilled. Records should be set up so as to facilitate whatever actuarial analysis is possible and full use should be made of statistical indications. Such analysis might eventually show how the unemployment risk can be controlled and measured, he said.

Though social disability insurance beyond that provided by workmen's compensation has been adopted in only one state, Mr. Blanchard predicted that more will be heard of it and its concomitants, medical care and hospitalization insurance, probably in the immediate future in the form of specific legislative proposals, recommendations from high places and urgings from a variety of sources. In fact, he said, the first efforts to establish a federal scheme of temporary and permanent disability insurance have been made.

Must Stress Divergencies

"Here is a field in which the casualty actuary has basic material and techniques, and in which his services in analyzing proposals and in furnishing guidance could be of outstanding value," Mr. Blanchard continued. "But he must understand social insurance as such, its purposes and its essential procedures, if his services are to be really useful. He is cost-minded, realistic and no one so well as he knows what figures indicate and how misleading or inadequate they may be. One of the greatest services he can render is to point out persistently that social insurance and private insurance, whatever they may have in common, have marked and important divergencies."

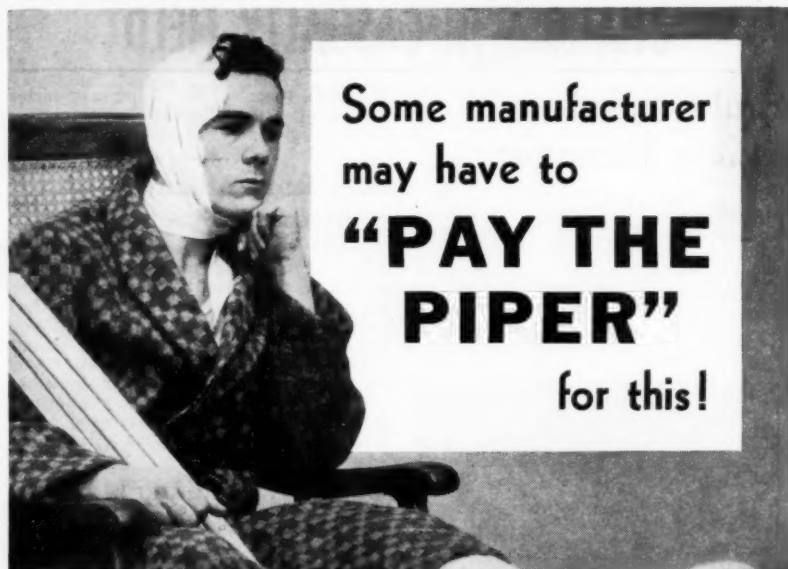
"If it is proposed that the government furnish an insurance service which is generally needed, there are four tenable answers: that the service is entirely impracticable, that the government cannot properly furnish the service, that private initiative can furnish it to better general advantage, or that it should be furnished by the government, either direct or through the agency of private carriers. In any event the actuary should lend his special competence to the solution of whatever problems may arise."

"One last word—when it is reasonably clear that social provision of insurance is desirable or inevitable, the actuary should be among the first to recognize it and to prepare for it."

Difficult to Define

Noting that the term "social insurance" is a difficult one to define Mr. Blanchard suggested that social insurance is any form of insurance in which the government goes beyond the regulation of practices and the dissemination of information. This may take the form of compelling insurance, by shifting the cost, by subsidy, or by the government itself becoming an insurer.

To the extent that it acts in any of these directions, insurance becomes social insurance, and this would include compulsory automobile insurance, governmental schemes of war risk insurance, governmental crop insurance as well as the more commonly recognized workmen's compensation, unemployment, old age and disability insurances. The interest of the society, however, should be given primarily to those schemes of social insurance which are



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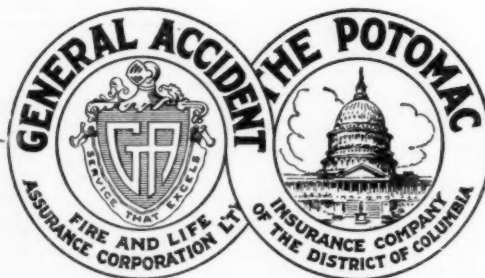
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established or advocated to meet a broad social need which aim to provide an adequate minimum income and which are usually compulsory as to membership, Mr. Blanchard said.

Mass. Companies Agree on "Non-Can" Reinstatements

(CONTINUED FROM PAGE 15)

States except in the event of enemy action.

In taking the action the companies recognize that as hazards of war are not covered by non-cancellable policies and as coverage is usually suspended or restricted while the policyholder is outside the U. S. (or other designated territory), that there will be situations in which the policyholder will not be justified in continuing full payment of his premiums. The new plan will assist policyholders to maintain their noncancellable policies, which were purchased to provide protection for a long period of years.

Companies subscribing to the plan are: Craftsman, Loyal Protective Life, Massachusetts Casualty, Massachusetts Indemnity, Massachusetts Protective, Paul Revere Life and Monarch Life.

Welcomed by Producers

The new rules will be welcomed by producers because prospects contemplating going into service were reluctant to buy non-cancellable policies under the circumstances rectified by the new rules. As the reduced premium under Plan A is for the purpose of maintaining the reserve, it is expected that it will have to be lower than the 40 percent maximum as if it is more than the difference in premium at the age of issue and the probable attained age at reinstatement, there would be little advantage for the policyholder to select this plan. In cases where policies have been in force for some time the policyholder will probably select Plan A and new policyholders Plan B.

Casualty Actuaries Drop Spring Meet

(CONTINUED FROM PAGE 15)

chinery shows that although the rate level has been satisfactory for the last five years, the individual classification rates have been seriously out of line for many types of objects, which would indicate that more attention should be paid to classification relativity than in the past and that the truing up of the rates should be made at more frequent intervals than has been the case.

Mr. Smith suggested the following possibilities for further investigation and improvement in boiler and machinery rating procedure:

1. There should be more frequent rate revisions in order to keep the rates in line with the most recent experience and thus avoid violent fluctuations in the premium for individual risks.

2. The number of manual classifications should be reduced and certain individual classifications made more inclusive in order to provide a broader experience basis for the rates for these classifications.

3. An "a" rating procedure should be adopted in order to enable the companies to obtain reasonable rates for objects which are infrequently insured.

4. The insurance charges should be eliminated and manual rates should be established which would be adequate to

cover both the inspection and standard limits loss cost. The premium for higher limits should be calculated by means of excess limits factors as in the case of other casualty insurance coverages.

A. L. Bailey, statistician American Mutual Alliance, New York City, suggested that the recording and collection of experience on a per-accident basis rather than on the usual per-claim basis would greatly assist in the interpretation of data, particularly in classifications of hazards involving an appreciable number of multiple claim accidents. Mr. Bailey pointed out that the theory governing chance distributions holds good only on a per-accident basis, since the chance occurrence is the accident, not the claim. A single accident may involve many claims.

Mr. Bailey expressed the hope that his paper might serve as a basis for definite improvements in the credibility formulae now used in rate-making and in experience rating. In connection with the theoretical principles underlying retrospective rating he implied that the present retrospective rating plans are only a form of gambling since the insured runs the risk, because of purely fortuitous

fluctuations, of paying considerable more than he would if the rates accurately reflected the inherent hazards, while if luck favors him in any particular year he may be paying considerably less than he should on the basis of his inherent hazards. A rating plan, he emphasized, should measure the extent to which risks differ from the manual rate and should not be such that purely chance variations will affect the rates.

As far as the "gambling" element is concerned, Mr. Bailey's objection to it was based mainly on the possibility of its becoming compulsory, as suggested by some stock companies. He would prefer not to see retrospective rating plans made compulsory until the "gambling" feature has been removed and in order to do this it will be necessary to obtain more extensive and exact information than is now at hand, he said.

N. M. Valerius, Aetna Casualty & Surety, presented a paper on risk distributions underlying insurance charges in the retrospective rating plan. He said that his examination of the basic data underlying the excess pure premium ratios in the excess ratio table indicated that these data are within the desired range of accuracy. His study was based

on all risks and all classifications for New York state.

Franklin Satterthwaite, Aetna Life, predicted in his paper that the next 10 years will see great progress in applying new discoveries in mathematical science to the problems of actuarial work. He said that actuarial work is a science but mathematics is only beginning to catch up with the problems of the actuary. The actuary is faced with problems which must be solved today while the mathematician may take 10 years to find the right answer to a complex problem.

Mr. Satterthwaite drew an analogy between the actuary and the engineer on the one hand and the physicist and the mathematician on the other. For example, it is normally four or five years before a new physical theory is incorporated into the construction of automobiles by the engineers. He pointed out that every addition to mathematical knowledge increases the frontiers on which still further new discoveries may be sought. He expressed the hope that progress in mathematics will help actuaries solve problems that have hitherto defied solution and that it would help with all types of rating problems, in-

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cluding the choosing of proper manual rates and setting up methods to reflect the experience of individual risks.

Jarvis Farley, actuary and assistant secretary Massachusetts Indemnity, in his paper on "An Approach to a Philosophy of Social Insurance" urged that social insurance not be considered by itself but in relationship to the whole economy. He pointed out that in certain phases private insurance of risks may be more efficient and in some phases government insurance may be impossible. He warned of the danger that federal operation might mean such a great concentration of power in the central government as to weaken the whole social insurance structure. Roger Billings, president of Massachusetts Indemnity, was co-author of the paper.

Compensation Procedure Criticized

In his paper on compensation rate making, Stefan Peters, New York compensation rating board, criticized the present procedure of using a certain amount of national experience to give greater credibility in many classifications where the volume of experience is too small during a five-year period to warrant full credibility by itself. He proposed that instead of national experience, the experience incurred under another closely related classification with a large volume of exposure be used to increase the reliability of the state experience of a small classification. This would mean greater simplicity and the advantage of not having to make corrections for the substantial variation in workmen's compensation benefits in the different states.

Mr. Peters also proposed a much more radical treatment of catastrophe excess losses. For rate-making purposes in New York state he would eliminate all losses, indemnity and medical combined, in excess of \$20,000, from the experience of individual classifications and redistribute them evenly over the experience of a whole industrial group. This would serve, he said, to eliminate from the experience underlying pure premiums losses of rare occurrence and unusually large size.

Grady H. Hipp, actuary New York state fund, presented a written discussion on the paper on recent developments in connection with the special funds under the New York workmen's compensation law which was presented by Miss Elsie Kardonsky at the May meeting.

Service Office in Dallas

Guy E. Duncan, resident vice-president of the southwest division of National Automobile of California, announces the opening of a service office in the Kirby building, Dallas. This office will be for the present staffed by Chas. M. Daley, fidelity and surety manager, and John H. Cochran, special agent for the multiple casualty lines. This office is to facilitate the prompt handling of the company's north Texas business, as well as develop its agency business in that area.

State Farm Auto Rates in Wash.

State Farm Mutual has filed reduced automobile rates for bodily injury and property damage with the Washington department. Holders of A ration cards receive a 25 percent discount from the mutual's previous rates. All other private passenger cars receive a class B rating, at 10 percent off former rates.

G. A. L'Estrange, vice-president and agency director of Wisconsin National Life, is the author of one of the series of articles on Oshkosh, Wis., sponsored in the Oshkosh "Daily Northwestern" by the chamber of commerce there. Mr. L'Estrange's article was entitled, "Is Oshkosh a Front Rank City?"

R. V. Mothersill, president of Anchor Casualty, addressed the St. Paul Association of Insurance Women on the need for definite information as to underwriting practices and procedure and the development of dependable experience on which rates are determined.

To Watch Mass, Registration for Auto Trend

Exceptional interest will be taken by insurance people throughout the country in the figures on automobile registrations in Massachusetts on the first of the year. In that state every motorist must be licensed and have his automobile liability insurance by midnight, Dec. 31, for the succeeding year. The regulations are strict and the total registration figures should be available very soon after the first of the year. That will be the first definite indication on a representative scale of what the effect of gasoline rationing has been and will likely be on the number of cars that are taken out of operation.

A comparison could be made then with registrations of the previous year. Some have felt that a good many motorists might decide to lay up their cars in view of their limited opportunity to travel, rather than pay insurance premiums and license fees. In Massachusetts every motorist will be faced with the decision on the same day and what the result is there, it is believed, will be indicative of the trend of the automobile business for months ahead.

Guest Law Hinders Sharing

NASHVILLE—Share ride arrangements, encouraged under the federal gas rationing system, are being seriously discouraged in Tennessee by the guest liability law. To secure additional gasoline allowed where a full car is assured by written contract, car owners are requiring signed statements from their riders releasing them from liability under the law. However, lawyers say that few, if any, of such agreements will stand in a court of law.

A strong effort will be made to secure repeal of the law when the legislature meets again in January.

Aetna Life reports enrollment of 90.3 percent of 2,600 home office employees in the payroll deduction plan for purchase of war bonds. The drive was headed by Eugene Reed, president of the Aetna Men's Club, and Miss Theodora A. Cloutier, president of the Aetna Girls' Club.

American Accident Toll Many Times War Loss

Casualties to American workers since Pearl Harbor have totaled 78 times greater than all the casualties to the U. S. armed forces in the period, excluding the African campaign, according to the National Safety Council. Our war casualties are 5,694 dead, 3,435 wounded and 39,827 missing or prisoners—a total of 48,956, according to official government figures. Casualties to American workers through accidents in the same period have been 44,500 dead and 3,800,000 wounded.

Accidents help the axis in draining America's manpower that is vital to victory, the council pointed out. The total American accident toll since Pearl Harbor has been 89,000 killed and approximately 8,800,000 wounded. Among the victims are thousands of skilled workers and key men in the nation's war program, who cannot be replaced.

"Casualties on the battlefield are a necessary sacrifice to perpetuate our freedom," Ned H. Dearborn, executive vice-president of the council, stated. "Casualties on the home front, through accidents, are preventable and hinder the efforts of our fighting men by sabotaging the production of weapons and material of war. Those who fall in battle die for a cause. Those struck down by accidents die in vain. It is the duty of every patriotic American to conserve manpower for victory. We must stop accidents."

To Seek Ohio High Court Decision on Liability of Driver in Ride Sharing

The test suit to determine liability of drivers to others in their cars in the share-the-ride program will be taken to the Ohio supreme court, according to M. L. Bernstein, who was appointed by the Cleveland Bar Association to represent a passenger. He said he will ask for an advancement so that a decision can be handed down as soon as possible. Favorable decisions to the driver have been given by the lower court and appellate court.

Appellate Judges Skeel and Morgan of Cuyahoga county just the other day upheld the lower court ruling on the theory that the decision was justified by the war emergency.

There was a dissent, however, by Presiding Judge Leichley who contended that share-the-ride passengers are in reality commercial passengers to whom the driver is responsible in the event of injury as in the case of a public carrier.

For life insurance facts and figures get the Little Gem Life Chart, 700 pages, \$2.50 from National Underwriter.

Parley on Interstate Rating in N. Y. Saturday

NEW YORK—A general review of the interstate rating problem both as to fire and casualty business, will be had at a meeting at the department office here Saturday morning. It will be attended by members of the two committees of underwriters as well as by the special committee of the National Association of Insurance Commissioners appointed at the Denver convention last June to study the whole subject and report at the winter gathering here early next week.

Meetings of both the casualty and the fire committees have been held from time to time at which the underwriting and the acquisition cost features of the problem were considered.

Lynne D. Upham, veteran Omaha general agent of Preferred Accident, is confined to the Clarkson Hospital there and will not be able to return to his office for another week or two.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

\$500,000 Loss in Midwest Fires

Three midwest fires last week caused an insurance loss of more than \$500,000.

More than \$100,000 damage was done to building No. 9 of the Chrysler war plant under construction on the south side of Chicago. The building was well over 100x200 feet and was 45 feet to the eaves. The forms were still on the green concrete, and a part of the slab roof fell in. Two boilers, one of which was in operation, were damaged.

At Pontiac, Mich., the total insurance loss was approximately \$400,000 when the S. J. & N. Realty Company at 54-62 North Saginaw burned and adjoining buildings were severely damaged. The S. J. & N. building, occupied by the Chase department store, had \$240,000 of insurance, all but \$40,000 of it in mutuals. Contents owned by Chase were covered in the mutuals. There were several concessions in the department store operated on a lease basis. Included among these were the Adolph Roth Co., a Chicago concern, that operated the paint department under lease. This was insured in the stock companies, as was the Bloekner Beauty Shop, under reporting forms. The Woolworth store at 50 North Saginaw, next door, suffered serious loss, and Kresge's on the other side, self insured, was damaged.

Fire at Ann Arbor, Mich., last week destroyed the contents of the Warren D. McLean Building, on which there was \$27,500 insurance. There was \$20,000 of insurance on the building, and the estimated loss is 80 percent. The George Wahr book store next door, on the contents of which there was \$36,000 insurance, was badly damaged by water, and the loss may run much more than the insurance. There was \$6,000 insurance on the building, with damage of about 20 percent.

General Change in Working Hours in Cincinnati

CINCINNATI—The Cincinnati Fire Underwriters Association has recommended that its members change their office hours to 9:30 a.m. to 5:30 p.m., effective this week. These hours were suggested for all insurance offices in the city in the recent proclamation of Mayor Stewart asking for cooperation with the Office of Defense Transportation in staggering working hours to relieve traffic congestion.

It is assumed that practically all insurance offices will adopt these hours. This will mean a material change in the working habits of many Cincinnati insurance men, most offices previously opening between 8 and 9 a.m. and closing between 4 and 5 p.m.

Educational File in Minn.

MINNEAPOLIS—A handy file of material for the educational program sponsored by the Minnesota Association of Insurance Agents and offered to regional groups has been completed by Howard Williams, Mankato, chairman of the educational committee.

Each file contains the National association outline of 12 printed pages covering personnel, equipment, records, collections, advertising and public relations; 46-page booklet survey of the Insurance Advertising Conference "How Successful Agencies Advertise"; analysis of agency expense following a study by the National association; B.D.O. sales forum series, "Agency Management" and "The Agent in a War-time Economy," and other sales and agency

operation material prepared by Chairman Williams.

Two of the Minnesota regionals already have signed up for this course and others have indicated they will take it on. The cost per member is \$1.50. Each group is urged to devote its first session to war damage insurance.

No Neb. Qualification Bill

LINCOLN, NEB.—Unless there is a change in sentiment, no agents' qualification bill will be introduced in the next legislature. In fact, insurance proposals will be much fewer than in the past. Sentiment among the lawmakers favors a short session because of war conditions, and this would bar from consideration all measures not deemed of prime importance.

Failure of the qualification measure in previous sessions has been largely due to opposition from bankers who sell insurance on the side and those who hold part-time contracts. In a time when unity is desirable, agents are reluctant to raise this controversial issue.

Exercise by Insurance Director Fraizer of the general powers given him has cured a number of conditions of which agents complained in the past. His system of questionnaires has developed facts on which intelligent action could be taken in issuing licenses, and has made it possible to eliminate the agent who applies for a license to write his own property and that of business associates.

Iowa Mutuals Elect Treimer

DES MOINES—William Treimer, Hartley, Ia., secretary O'Brien County Mutual, was named president of the Iowa Association of Mutual Insurance Associations at its annual convention here. D. D. Paxson, Algona, retiring president, was named national delegate. C. F. Morgan, president Square Deal, Des Moines, was named vice-president and H. L. Gross was reelected secretary. New directors are Orville Maben, Garner; C. L. Butler, Atlantic; W. C. Children, Council Bluffs; Leonard Arrp, Stockton, and Ted Olson, Alta.

Nearly 300 attended. H. L. Kennicott, secretary National Retailers Mutual, declared it is the patriotic duty of every agent to tell the people about war damage insurance. This point was also stressed by Mr. Gross.

The agent's role in conservation in wartime was emphasized by Harry P. Cooper, Jr., National Association of Mutual Insurance Companies, who spoke in place of his father, the national secretary, who was ill.

Index Neb. Insurance Rulings

LINCOLN, NEB.—To avoid embarrassment that might arise from the delivery of opinions and issuance of orders in conflict with previous rulings of the department, Insurance Director Fraizer has had an index made up which covers all opinions on insurance questions given by attorneys-general, opinions and rulings of former heads of the bureau and opinions from department attorneys, running back a number of years. There are about 500 of them. The work had never previously been undertaken.

Berry Inspecting Wis. Plants

MILWAUKEE—W. H. Berry, state agent in Wisconsin of Continental and American Eagle, on leave for the duration, has completed training at the officers school, army specialists corps, Fort Oglethorpe, Ga., and has been named Wisconsin state facility representative on the staff of Col. C. J. Otjen, director of internal security for Wisconsin

and upper Michigan. His first assignment is to make a study and survey of Wisconsin plants turning out great quantities of small metal products, such as nuts, bolts, screws, rivets and staples, to determine how vulnerable they are to sabotage and make recommendations for armed guards and other protection deemed necessary to prevent hampering the war production program. Mr. Berry is vice-president of the Wisconsin Fire Underwriters Association and most loyal gander of the Wisconsin Blue Goose, on leave.

Sioux Falls Women Organize

Jeanette Ibach of the North America companies was elected president of the Sioux Falls (S. D.) Association of Insurance Women at its annual meeting; Thelma Iverson, McKinney & Allen, vice-president; Vivian Christensen, Western Adjustment, secretary-treasurer. The educational committee consists of Ellen Swenson, Queen City Insurance Agency; Marion Kirchner, McKinney & Allen; Mildred Saken, Costello Company, and Lillian Skola, Fire Underwriters Inspection Bureau. Evelyn Seward of Knowles, Dwight & Barnett and Evelyn Bailey are members of the membership committee. The Sioux City body will join the National Association of Insurance Women. A question box was installed at the meeting at which a number of questions were asked, answered and discussed. The next meeting will be held Dec. 15.

Seek to Disbar Attorney

LANSING, MICH.—Alleged failure of Thomas C. Taylor, prosecuting attorney of Lapeer county, to prosecute an action brought by Commissioner Berry of Michigan against former directors of the defunct Lapeer Farmers Mutual Fire is cited as a reason for seeking the prosecutor's disbarment in a petition filed with the State Bar Association of Michigan. A petition filed with the governor for Taylor's removal from office is awaiting hearing.

Taylor not only is accused of failing to cooperate in pressing the action against the former mutual directors but is declared to be representing them as defense counsel. The suit, charging the directors with misfeasance and malfeasance in office, was filed several months ago by Walter S. Foster, Lansing attorney and counsel for the mutual's receiver, Charles Bowles. Mr. Foster said Taylor represents a majority of the defendants in the action.

Seek Indiana Supervision Shift

INDIANAPOLIS—Insurance interests in Indiana are manifesting considerable concern over a proposal that is practically certain to be introduced at the coming session of legislature, putting the insurance department back under the state auditor's office, as it was before 1935.

The proposal is reported to have considerable backing among leaders of the Republican organization in Indiana and as the Republicans will control the next legislature, nearly 10 to 1, what the organization leaders say may have considerable weight with the legislature. The governor is known to oppose the proposal and probably will veto such a measure if it is passed but there might be sufficient political pressure to pass it over his veto.

Plan Rockford, Ill., School

The Rockford Association of Insurance Agents early in January will start a school based on the 100-hour course of the National Association of Insurance Agents. W. H. Jennings, Jr., chairman of the advisory committee Illinois association and that group's past president, is in charge of the school. He was in Chicago this week conferring with Lil-

Qualification Bill Parley Held in Missouri

JEFFERSON CITY, MO.—Some 50 persons representing all phases of the insurance business, attended a conference here to discuss a proposed agents' and brokers' qualification bill to be presented to the legislature when it convenes early in January.

The conference was called by Insurance Superintendent Scheufler, who said that he had received numerous requests for such a meeting which would give everyone interested an opportunity to be heard, so that when a bill is finally presented to the legislature it will be broad enough to protect the interests of all classes of agents and brokers desiring to do a legitimate business in Missouri and at the same time provide the protection to which the insuring public is entitled.

There was no opposition to a proper qualification bill voiced. Frank X. Jones, St. Louis attorney representing life agents, expressed the view that the proposed bill should contain a separate section relating to life agents, since their problems are somewhat different from those of other agents.

J. W. Rodger, executive secretary Missouri Association of Insurance Agents and manager of the Insurance Board of St. Louis, suggested that a copy of the tentative bill be furnished to each person present so that they would have the opportunity to study its various provisions carefully. Then when another conference is called by Superintendent Scheufler he will obtain the benefits of any suggested changes. The suggestion will be carried out.

It is believed that a properly drawn and equitable qualification bill has a good chance for passage.

lian L. Herring, executive secretary, on that and other matters.

Explain Gas Rationing to Clients

WICHITA—The Wichita Association of Insurance Agents held an open meeting attended by more than 100 clients and friends to hear a full discussion of the gasoline rationing procedure, with an explanation of the application for supplemental mileage ration. Officials of the local rationing office conducted the forum meeting.

John H. Engstrom, Jr., chairman of the educational committee, announced that an educational program will be launched shortly after Christmas.

Admits Service Men's Wives

CINCINNATI—The Cincinnati Fire Underwriters Association has empowered its governing committee to admit wives of members in military or naval service to membership for the duration of the war and until 60 days after the member is mustered out of service. The rules of the Cincinnati board prohibit married women as members and this change was adopted as a war emergency measure, to assist in protecting the business of members in service.

Hold Quiz Session in Toledo

The Toledo (O.) Association of Insurance Agents at its meeting Tuesday held an educational quiz session dealing with questions pertaining to fire insurance.

Illinois Mutuals Elect

At the annual meeting of the Illinois Association of Mutual Insurance Companies in Decatur, attended by about 175, the following new officers were elected: Rex O. Goodwin, president, Oblong; H. L. Kennicott, vice-president, Chicago; H. P. Hostetter, secre-

tary, Mt. Carroll, and James T. Wise, treasurer, Sadorus. H. K. Stafford was chairman of the local committee.

Flickinger on Advisory Committee

CLEVELAND—W. E. Flickinger, a past president of the Insurance Board of Cleveland, has been named a member of the advisory committee of the Ohio Association of Insurance Agents for his district including Ashtabula, Cuyahoga, Geauga, Lake and Lorain counties.

Central Minn. Agents Elect

LITTLE FALLS, MINN.—Albert A. Barton, Little Falls, was elected president of the Central Minnesota Agents Regional Association at the annual meeting. William Graham, Brainerd, was named vice-president, and R. Koenig, Long Prairie, secretary. Walter N. Niskern, St. Cloud, and W. G. Lundquist, Little Falls, are on the executive committee.

Ohio Sixth District Meets

The sixth district of the Ohio Association of Insurance Agents held a meeting Tuesday evening at Bowling Green. Raymond G. Wahn, trustee for the district, presided. Speakers included Ray Martin, Columbus, executive secretary, and Harold S. Bowen, president of the Bowen Insurance Agency, Norwalk, who talked on advertising and management technique. A dozen counties were represented.

Porth Milwaukee Board Director

MILWAUKEE—Monroe Porth has been elected a director of the Milwaukee Board to fill the unexpired term of Clarence Derksen, who has resigned as a director and as manager of the insurance department of Zingen & Braun agency to become associated with a defense industry.

NEWS BRIEFS

J. P. Riedel, Minneapolis local agent, was critically wounded in a hunting accident. Early in the month, Walter Belford, Minnesota field man, lost two fingers in a hunting mishap.

The Des Moines Women's Insurance Association will dispense with its Christmas party this year and will take the money usually spent on the party to decorate the recreation hall at Camp Dodge, induction center near Des Moines.

H. C. Barrett, Anthony, Kan., local agent, has gone with the engineering department of the Boeing Aircraft Co., at Wichita, leaving his agency in the hands of his office assistant.

Dwight Smith of the Smith-Stone-Snyder Agency, immediate past president of the Wichita Association of Insurance Agents, is one of the chief instructors of the civilian protection unit in Wichita, including air raid wardens, auxiliary police and auxiliary firemen.

The recently organized Insurance Women of Racine, Wis., held a Thanksgiving dinner, followed by a business meeting. The December meeting will be a Christmas party.

The Insurance Women of Akron, O., held their first mother and daughter banquet attended by 60. Grace O. Lods, president, was toastmistress. Following a brief business session, Dr. E. B. Foltz presented pictures of his recent Hawaiian and Alaskan trips.

Miss Lucille McDermott, Milwaukee, general chairman for the 1943 national convention of insurance women conferred in St. Paul with members of the committee which handled the 1942 meeting there.

Lieut. Fred R. Hayes of the engineers amphibian command at Camp Edwards, Mass., is spending a few days of a short furlough with his parents, Mr. and Mrs. H. K. Hayes, in Detroit. His father is a local agent in the Grand River-Livernois district.

W. C. Smith, special agent in charge of Hartford Accident at Columbus, O., served as toastmaster at the "bosses

night" banquet of the Insurance Women of Columbus which was attended by 100. Glens Falls representatives staged an amusing skit touching off the difference in employment conditions in 1932 and today. The program was arranged by Helen Taylor of Fireman's Fund Indemnity, social chairman and founder of the association.

Fred H. Reiss, Employers Fire, representing the Fire Prevention Association of Ohio, conferred this week with the Springfield (O.) Association of Insurance Agents relative to the inspection there in January. A public relations program was outlined.

At the November meeting of the Insurance Women of Lincoln, Neb., Florence Zeiser, Lincoln attorney, spoke on "Laws of Interest to Women."

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EASTERN STATES ACTIVITIES

Gets Application Day After Fire, But Liable

Although Maine Mutual Fire of Lisbon Falls did not receive the written application for insurance in the mails until the day after the fire occurred, it was held liable for the loss by the Maine supreme judicial court in Hurd vs. Maine Mutual Fire. Hurd on Aug. 14, 1939, made written application to Maine Mutual through its agent, one Campbell, at Kingman for a three year fire policy on his dwelling, shed and furniture. The application and the assessment note were signed by Hurd and mailed that day by Campbell. The property was burned Aug. 17 and the application was not received at the home office of Maine Mutual until Aug. 18.

Hurd contended that Maine Mutual, through Campbell, orally insured the property from the time the application was signed until such time as Hurd should be notified by Maine Mutual that it had accepted or rejected the application. Maine Mutual denied that Campbell so covered the property with temporary insurance and contended that even if he did make such a contract it is not binding on Maine Mutual.

There was a sharp conflict in the testimony as to what was said at the interview when Hurd discussed the insurance with Campbell but the jury found that Campbell did indicate to Hurd that the latter was "covered" from the time that he signed the application.

Maine Mutual went on to argue that even if Campbell had authority to make such a contract there was no insurance because the undertaking was not supported by any consideration. According to the court that contention cannot be sustained. The jury could have found an implied promise on the part of Hurd to pay all reasonable charges for the insurance, according to the court.

Certain restrictions as to the agent's authority that were stated in the application, according to the court, are limited to acts or statements of the agent in securing the application for a formal policy, which in this case was to cover a term of three years. These restrictions have no bearing on the issue of whether or not the agent had apparent authority to cover the property with temporary insurance, pending decision on the application.

The amount of the loss was \$2,200.

Philadelphia Agents' Association Reorganized

The Philadelphia Insurance Agents Association that has been inactive during the past few years has now been brought to life under the title of Philadelphia Insurance Agents & Brokers Association. About 100 attended the first meeting in the Insurance Society assembly room in Philadelphia.

Howard S. Coe of Coe & Coe was elected president, John W. Doriss of Doriss & Smith, vice-president; J. Alden Tift of Tift, Lyster & Co., secretary, and William Bishop of Herkness, Peyton, Bishop as treasurer.

This organization will be an integral part of the Pennsylvania Association of Insurance Agents. The directors include M. B. Foard, John K. Payne, Henry N. Platt, George T. Rowland, George V. Smith, Jacob Maslein, Mr. Coe, Stockton Townsend, Mr. Bishop, Mr. Doriss, Mr. Tift.

Herman D. Wolff of Easton, national

councillor of the Pennsylvania state association, sketched some of the activities of the state organization.

Illinois Fire Enters Md. Under E. K. Schultz

Illinois Fire, has reentered Maryland and will be under the supervision of E. K. Schultz & Co., general agents, Philadelphia. Illinois Fire, now wholly owned by Millers National first entered Maryland about 1903. It participated in the Baltimore fire of 1904, to the extent of over \$100,000.

At the time of purchase of the company in 1939 operations were limited to midwestern states but since then capital and surplus have been increased and operations extended in the east to New York, Pennsylvania, Virginia, New Jersey, and now Maryland.

Illinois Fire has assets of \$1,523,492 of which \$250,000 is capital and \$1,024,049 is surplus.

General Agencies Buy Ambulance

BOSTON—Eleven leading Boston general agencies purchased a complete field ambulance unit and notified Bayard Tuckerman, senior member of O'Brien, Russell & Co., who has been driving an ambulance contributed by his agency in Africa, that it was being sent to Africa with the hope he would be able to drive it personally, as a tribute from his competitor general agencies in Boston in appreciation of the contribution he was making to the war.

Since the gift was forwarded report has reached Boston that Mr. Tuckerman has been hospitalized and may have to be invalidated home.

General agencies contributing to the ambulance were John C. Paige & Co., Kaler, Carney, Liffier & Co., Field & Cowles, Dewick & Flanders, Patterson, Wyld & Windler, R. S. Hoffman & Co., Cyrus Brewer & Co., Hinckley & Woods, Boit, Dalton & Church, Gilmore, Rothery & Co. and Fairfield & Ellis.

Rochester Nominations Made

Nominations have been submitted for new directors of the Underwriters Board of Rochester, N. Y. The election takes place Dec. 7. For class 1 directors with four to be elected, the nominating committee submits the names of G. T. Amsden, Fred W. Zwick, R. E. Consler, P. D. Dutton, F. H. Spiegel, Fred W. Townsend, G. H. Vierhile and E. L. White. For class 2 with one to be elected the nominees are Ray M. Clark of U. S. F. & G., and R. L. Free of Metropolitan Casualty. For class 3, one to be elected,

Christine Mabry of Fairport and C. H. Westerman of Pittsford. For class 4, two to be elected, Barry Budlong, F. M. Loewenguth, Wellington Potter and Don Saunders.

Following the election, the new directors meet and elect a president, vice-president and treasurer. The office of secretary is contractual.

Erie, Pa., Women Organize

The Insurance Women of Erie is being organized to become affiliated with the National Association of Insurance Women. The first meeting was held at Erie, Pa. Miss Ella Minnis, president of the newly formed Pittsburgh chapter of insurance women, spoke on objectives. Temporary officers are: general chairman, Elsie Johnson, U. S. F. & G.; secretary, Marie C. Meyer, Leo Schlaudecker Co.; constitution and by-laws committee, Mabel E. Zilch, I. D. McQuistion Co., chairman; arrangement and planning committee, Ann Kecer, Curley Adjustment, chairman; publicity, Bertha Bennett, M. A. Bennett Agency, chairman. The next meeting will be held Dec. 2.

Baltimore War Damage

A few days after the death of City Comptroller R. W. Graham of Baltimore, Allan L. Dell, acting city comptroller, released a statement of the distribution of war damage premiums as between agencies and companies that was paid by Baltimore city. Total premiums of \$86,209 were paid on \$75,529,252 coverage. The Riall-Jackson agency of which Mayor Jackson of Baltimore is a member, received premiums of \$33,154; Riggs, Rossman & Hunter, \$29,999 and Poor, Bowen, Bartlett & Kennedy, \$23,073. Fidelity & Guaranty Fire was the fiduciary agent. The rates ranged from 6½ cents to 19½ cents. The insurance was placed on properties considered the most essential and vulnerable.

Baltimore Agency Promotes Hlavin

Joseph C. Hlavin, a member of the staff of the Poor, Bowen, Bartlett & Kennedy agency in Baltimore, has been named assistant secretary. Mr. Hlavin started with the agency as an office boy a few years ago. Succeeding Mr. Hlavin in charge of the fire insurance department is William Schuette, formerly in charge of the insurance department of the Safe Deposit & Trust Company.

NEWS BRIEFS

George A. Morgan, Mountain View, N. J., has completed 25 years representation of the Aetna Life companies. Before entering the general insurance

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business he was in the actuarial department at the home office of Metropolitan Life. He is on the executive committee of the New Jersey Association of Insurance Agents and on its qualifications committee.

John J. Curley, 70, Boston broker,

has been nominated by President Roosevelt as comptroller of customs there. He has been in the insurance business 40 years. He is a brother of J. M. Curley, former governor of Massachusetts and recently elected to Congress.

IN THE SOUTHERN STATES

Oklahoma Farm Schedules Revised

The Oklahoma Inspection Bureau has just promulgated a revised farm rate schedule in that state. This follows in many respects the changes already in some of the other midwest states. The principal change is adoption of the standard term rule for all farm rates, and a number of minor revisions followed this change. The standard short rate table was adopted.

The fire department service charge clause has been changed to conform with the clause now used in connection with recording business.

New Live Stock Rules

Live stock rules have been revised. The rate is now 90 cents for combined coverage on feeder cattle written on a specific form contemplating full insurance to value.

Fire rates have been divided into three classes, the first applicable to dwellings and household goods, the second to barns and outbuildings, buildings only, and the third to personal property other than household goods. Two windstorm rates are provided, one applying to dwellings, household goods and personal property, and the other to barns and outbuildings.

The additional charge for tenant occupancy was materially modified, and credits are incorporated for dwellings with approved roof and dwellings of brick and stone construction.

The rate for specific insurance on threshed grain, etc., was reduced from \$1 to 90 cents for the combined fire, windstorm and hail coverage, and a requirement for \$5 minimum premium for specific insurance on grain was eliminated.

New Rule for Standing Grain

A new rule provides coverage against fire and lightning on standing corn, wheat, oats, barley, and rye. It is intended that this endorsement be attached only to policies issued for three or five years, at an additional premium of 25 cents for three and 40 cents for five years on a cash basis and 45 cents for five years under the installment plan.

There was some reduction in rates applicable to specific fire and lightning insurance on hay, straw, fodder and silage. The new rate is \$4. Tornado and hail rates on silos were revised and somewhat modified. Concrete stave silos are now subject to a 50 cent tornado and hail charge, compared to an 80 cents rate now applicable to metal and hollow concrete block silos.

The rates for incubators and brooders have been revised in connection with the new term rule. In the case of buildings containing both, the higher charge applies, whereas under the former rule these charges were cumulative.

Old-Time New Orleans Agency Is Changing Name

NEW ORLEANS—After 74 years of continuous operation, the firm of Marshall J. Smith & Co., New Orleans, will change its name Dec. 1, to Hardin & Ferguson. The agency is the oldest in New Orleans. There will be no change in personnel. Change in name followed purchase of stock held by the heirs of Col. Marshall J. Smith by W. J. Hardin, who has been president of the

agency since 1915, and W. Loring Ferguson, executive vice-president, who has been with the agency since 1914. John P. Casey is vice-president; G. P. Moreno, treasurer, and J. J. Ryan, secretary.

North America has been in the agency since it was established in 1868. Western Assurance, Boston, and London Guarantee have been represented for more than 45 years.

Mr. Hardin, an authority on marine insurance, is Lloyds agent, correspondent of the Board of Underwriters of New York and a member of the Association of Average Adjusters. Mr. Ferguson represents Louisiana as a director of the National Association of Insurance Agents, and is a past president of the New Orleans Insurance Exchange.

Tardys Entering Service; Ragland Director Agency

James N. Tardy of the Tardy Agency, Dallas, has been commissioned a first lieutenant in the tank destroyer command of the army stationed at Camp Hood. His brother, Francis C. Tardy, also soon will enter service. For duration the agency has been trustee to the Ragland Insurance Agency, operated by Alphonso Ragland, Jr. The Tardy agency was established in 1925. Mr. Ragland recently opened his agency after being associated for 10 years with another large Dallas agency. He is president of the associate board of directors of the state fair of Texas and the Highland Park Chamber of Commerce, chairman of the Dallas Committee for Wartime Entertainment, past president Dallas Junior Chamber of Commerce and Texas Junior Chamber of Commerce and was awarded the junior chamber of commerce trophy as Dallas' outstanding young man in 1932.

Discuss Effect of Gas Rationing

SAN ANTONIO—The San Antonio Insurance Exchange held a brief discussion of the possible effects of gasoline rationing on the work of local agents. Special reference was made to the problem as related to coverage on automobiles, and it was indicated that the local agents of Texas probably will write this coverage on a normal rate basis and then make any necessary adjustments.

Secretary F. F. Ludolph called attention to the cooperation of the Business Development Office in furnishing to local agents stickers and data for acquainting policyholders with the fact that war damage insurance is available, and urged that agents strive to bring the insurance to the attention of their clients.

Tulsa Women Honor Bosses

The Insurance Women of Tulsa held their annual "bosses dinner" with 105 members and guests present. Greetings were extended by the president, Mrs. V. J. Sullivan and in the absence of Paul Sisk, president of the Tulsa Insurance Board, response was made by Eric Stahl.

Miss Ethel Brink, first vice-president of the National association, was toastmistress. Special guests were J. K. Snodgrass, state agent Crum & Forster; Charles Day, state agent North British; William Newblock, special agent, life department of Travelers, and J. R. Lochhead, special agent American Equitable.

PACIFIC COAST AND MOUNTAIN

Approval Given 46 Suggested Cal. Bills

Of the 130 legislative proposals considered in four all-day sessions of company executives, producers, organizations and members of the California insurance department, only 46 received approval, 53 are now in the hands of special committees and 31 were either disapproved, withdrawn or postponed.

Among the proposals now in committee are that calling for state rate filing, another for an anti-discrimination measure and another which would authorize agreement for self-regulation with the approval of the commissioner. The committee charged with study and recommendation on these three proposals is headed by Sidney L. Weinstock, deputy commissioner.

Seeks Anti-Discrimination Measure

Aubrey Grossman, San Francisco attorney representing the Bay Area Council Against Discrimination, warned the conference that whether or not the proposed anti-discrimination measure was introduced in the legislature, his organization would introduce such a measure, expressing himself as feeling that even though it costs the companies more to write insurance for certain racial groups, the coverage should be written at the same rate as for other groups and the cost spread to the less expensive groups.

Practically all of the bills concerning reciprocals and inter-insurance exchanges were referred to a committee on which are representatives of this class of carriers as well as stock companies and producers.

Most of the measures proposed by the Insurance Brokers Exchange failed to receive approval. These included changes in licensing procedure and the manner of keeping premium accounts. One measure is now before a committee requiring higher standards of study prior to qualifying license examination.

Proposed bills approved in conference or committee, go to the commissioner for review and in December, final hearings will be held and the legislative program formulated. It is expected that not more than 10 or 12 bills will be presented to the legislature, although many of the department bills covering investment and administrative suggestions will be grouped in one "basket bill."

Among the proposals withdrawn was one governing advertising of non-admitted carriers, which would have made it a misdemeanor to publish or carry via radio the advertisements of non-admitted companies.

Washington Agency Leaders to Confer in Seattle

SEATTLE—Agency leaders from all parts of the state will gather here Friday evening for the fall meeting of the executive committee and local board presidents of the Washington Association of Insurance Agents.

E. R. Bowden, Seattle, legislative chairman, will report on insurance plans for the 1943 legislative session. Frank N. Bellingar, Bellingham, chairman contact committee, will report on fire rate developments and A. J. Peters, Issaquah on revision of the constitutions and by-laws. Reports also will be given on branch offices, R. J. Martin, Spokane; rural agents, Mr. Peters; membership, R. E. Mahaffay, Tacoma; educational, Louis LaBow, Seattle; fire prevention, Gerwyn A. Jones, Walla Walla, and automobile rates, E. O. Allen, Wenatchee.

A comprehensive report on recent changes in the setup of the National association will be presented by Alfred W. White, state director, who will preside as chairman of the executive committee. He also will report on renewed

activities to write war risk insurance. Many of those attending are expected to stay over for the football game Saturday between Washington and Washington State College.

Fix Office Hours in Los Angeles

LOS ANGELES—All insurance offices except life home offices in the metropolitan area here are being asked to change their office hours to not earlier than 9:45 a. m. to 5:45 p. m. starting Nov. 27, by the war transportation council. The Pacific Board office has sent out a notice that its hours will be from 10 a. m. to 12:30 p. m. and from 1:30 p. m. to 4 p. m.

The Insurance Exchange notified its members that its hours will be from 9:45 a. m. to 5:45 p. m.

The home offices of Pacific Mutual Life and Occidental Life will be governed by geographical location.

Simon in Charge at Salt Lake

Bruce Simon has been appointed by Fire Companies Adjustment Bureau as superintendent of the Salt Lake City branch office. He has had many years experience in adjustment of automobile, casualty and special risk losses.

Hail Conference Reelects

PORTLAND, ORE.—At the annual meeting of the Pacific Coast Hail Conference, all officers were reelected: President, C. D. Lasher, resident secretary of Home, San Francisco; vice-president, G. V. Lundmark, Great Falls, Mont., and secretary-treasurer, C. F. Lande, Spokane, Wash.

James B. Cullison, Jr., manager and S. K. Bjornson, assistant manager of the Rain & Hail Insurance Bureau, Chicago, attended.

W. G. Rich Is Forum Speaker

William G. Rich, assistant manager of Royal-Liverpool, addressed the Fire Underwriters Forum of San Francisco on "Some Thoughts and Ideas on Practical Underwriting."

Butte, Mont., Agents Organize

BUTTE, MONT.—Local agents here have organized the Butte Association of Insurance Agents. The group will be expanded to include members in six counties of the region.

C. P. Callahan was elected president; M. Y. Daniel, vice-president; F. B. Winger, secretary-treasurer.

Fire and casualty agents of Silver Bow, Deer Lodge, Beaverhead, Jefferson, Madison and Powell counties have been asked to join.

OPA Counsel Portland Speaker

PORTLAND, ORE.—Thaddeus W. Veness, legal counsel for the OPA, addressed the Portland Association of Insurance Agents on "OPA Brought Up to Date."

NEWS BRIEFS

Newly elected officers of the San Francisco Insurance Women's League, headed by Mrs. Ellen Gooch of the insurance department, have been installed. Elsie Frizzi, insurance department, is vice-president; Mary Gerton, Fidelity & Casualty, secretary, and Alice Hewitt, Pacific Employers, treasurer.

F. H. Cornell, resident secretary farm and hail department Home of New York, Chicago, was in Los Angeles on a business trip.

The life of a WAAC was described by Lieut. Ringold of the army recruiting service at the Nov. 24 dinner meeting of the Insurance Women of Seattle.

Fire of undetermined origin destroyed the insurance office of Stevens & Stevens, Milton, Ore., including library and records.

Bernard M. Joy has purchased the Louthan Realty Co., agency, Englewood, Colo.

CANADIAN

Canada May Requisition All Cars

Addressing the Ottawa Life Underwriters Association, A. Gordon Nairn, field supervisor of the Life Underwriters Association of Canada, stated that the government may ask car owners using them for non-essential and luxury driving to loan them for essential war use.

"A sharp reduction in non-essential driving will be made soon," Mr. Nairn stated. However, he added, life insurance salesmen will receive "every consideration."

Mr. Nairn said the oil controller had informed him the government wants gasoline and oil made available so that cars would be kept in running order. The reason for this is that the government is considering calling in for vital use cars not now used for necessary driving. If gasoline were not made available, tires and batteries would deteriorate and the cars would be useless.

Spencer to Ontario Department

TORONTO — Superintendent McNairn of Ontario has appointed F. W. Spencer of Toronto as chief agency officer of the department. He succeeds Arthur W. Rogers, who resigned to go with a firm of chartered accountants.

Mr. Spencer was formerly superintendent of agencies of London & Lancashire and Law, Union & Rock. He was born in Manitoba but educated in England and entered insurance work there with County Fire of London, now amalgamated with Alliance.

His son, W. L. Spencer, is an inspector with Royal Exchange, representing the fifth generation of the family in insurance work.

Robert Wallace, for five years president of Wawanesa Mutual, died suddenly. He was elected a director when the company was organized in 1896. On the death of S. H. Henderson in 1937, he became president.

MOTOR

Suggest Flat Commission Scale for Auto Lines

The Chicago Insurance Agents Association has been giving consideration to the idea of advocating a flat scale of commissions for the various automobile coverages. Those advocating such an arrangement say that it would eliminate the many possibilities for error, which is particularly important in these days of green help and it would also save expense. On combination automobile policies frequently there are three or four scales of commissions involved for the producing agent and as many scales for brokerage. There may be one scale for P.L., another for P.D., a third for collision and another for fire, theft and comprehensive.

Thus there are three or four operations involved and it would be telescoped into but a single operation if there were a flat scale of commissions.

Although the association presently is giving attention to the situation as it pertains to automobile insurance yet the advocates of the plan feel that if this could be accomplished it might be possible to extend the application of the principle into other lines.

Dallas Finance Insurance Firms in Litigation

A Dallas finance company with a fire and casualty insurance license is suing another local insurance agency with finance connections. J. Earl Presley, au-

tomobile loans and insurance, brought suit against J. E. Earnest & Co., attorney-in-fact for Superior Lloyds, local agents for several companies and with loan connections. Presley seeks recovery of double the amount of \$15,000 in alleged usurious interest and \$5,188 representing insurance premiums.

The petition charges that over a four-year period Presley has been charged usurious interest by the Motor Investment Company and, under the law allowing a person to sue for double the amount of usurious interest charged, he asks for judgment of \$30,000. He also charges the Motor Investment Company, which he alleges was not the agent writing the insurance policies on automobiles, required him to pay \$5,188 in premiums for J. E. Earnest & Company.

Many Motorists Are Dropping Collision Cover

Automobile collision premiums continue to decline not only because of the evaporation of finance business but because individual motorists who have been accustomed to buying this insurance voluntarily, are today dropping it, deciding to take a chance because of the reduced exposure. The automobile physical damage insurers find that the number of policies sold is holding up satisfactorily but that the premium volume is down due to the omission of collision insurance in so many cases. The average premium per policy is thus considerably less and that tends to run up the expense ratio, because it is just as much trouble to put through a policy with a \$6 premium as it is to handle a contract with a \$50 premium.

MARINE

WSA Reinsures Post-Season Risk

Arrangements have been completed for the War Shipping Administration to reinsure 100 percent the policies of the private companies covering the hulls of ore carrying boats on the Great Lakes in respect of post-season sailings after Dec. 12. Commencing Dec. 1, the private insurers step up their rates for sailings in three stages, the last period ending Dec. 12. The government is eager to have the ore boats operate this year just as long as possible but at the same time no advance in freight rates is to be allowed. Hence the carriers were in no position to afford the very high insurance premiums that would be required to meet the hazard for sailings after Dec. 12.

The War Shipping Administration will reinsure the private companies at the Dec. 12 rates, for sailings after that date.

The biggest problem involved in handling ore so late in the season is the fact that the ore piles become frozen.

Shows Who Are Personal Property Floater Buyers

More emphasis is being placed on the sale of personal property floater coverage by agents in order to augment their premium volume and offset some of the losses in agency volume caused by the reduction in automobile rates. Almost anyone with property of value to protect is a prospect.

Recently a company marine man started keeping a list of actual buyers. As shown in dailies they were: Attorney, physician, judge, head of bus line, partner in a machinery and supply business, insurance agent, dentist, industrial engineer, executive of a credit corporation, manager of a municipal airport, a life insurance general agent, a sales manager, partner in an air conditioning firm, special agent of an insurance company,

laundry owner, operator of a bag business, purchasing manager, research engineer, securities underwriter, contractor, wholesale clothing salesman, assistant treasurer of a street railway bus company, retired business man, chiropractor, president of a trucking concern, steel company official, general manager of a business, retail chain store manager, a chain store official, and maitre de hotel.

Shields Marine Manager

NEW YORK—Frank W. Shields, heretofore assistant manager of the marine department of the Hoey, Ellison & Frost agency, has been promoted to manager, and E. J. Foehrenbach becomes assistant manager. The latter had been with the marine division of North British & Mercantile since 1925.

Italians May Carry War Damage Cover

(CONTINUED FROM PAGE 1)

handling and shipping securities and also to protect securities held under custodian accounts.

Double protection for mortgagees is alleviated by the new rule, which permits pro rata cancellation of insurance carried by a mortgagee where he is also made a loss payee, under insurance issued to the owner of the property. The memorandum states that cancellations up to Jan. 1, 1943, may be made from the inception date of the later of the two policies. After Jan. 1, 1943, the return premium is to be computed from the effective date of cancellation.

Another cancellation rule permits cancellation or pro rata reduction of insurance where the insurable interest of the assured has been extinguished or reduced by fire, windstorm or other disaster. The minimum premium rule is clarified by a provision that an additional premium, if it amounts to more than 50 cents, must be charged for increases, even though the combined additional premium and original premium do not amount to the \$3 minimum premium.

The new rule on oil producing properties gives the assured the option of including or excluding the value of underground structures and equipment. Form No. 2 is used for these properties and the rule states that the description must clearly indicate the property intended to be covered. The rule also points out that W.D.C. does not insure the cost of drilling or re-drilling or pro-

tect the oil in wells. Under former rules, there was no provision for excluding any part of a building or structure, even though underground, while at the same time it was questionable whether certain items of oil property were protected, since lines 56 and 57 of the war damage policy exclude "any real property which is not a part of a structure or a building."

The memorandum also states that bridges, trestles and tunnels of railroads and street railways may be insured blanket with trackage and roadbed, at the rate provided for the latter properties, which is 10 cents with 50 percent coinsurance and six cents with 100 percent coinsurance. The assured must warrant that all his trackage, roadbed, bridges, trestles and tunnels are covered and indicate the approximate distribution, either in dollars or percentage of value, of bridges, tunnels and trestles as compared with the trackage and roadbed. If the value of bridges, tunnels and trestles is more than one-third of the assured's total values, blanket insurance is still permitted, but the proper rate under code No. 05 must be applied to as much of the value of the bridges, trestles and tunnels as exceeds 33 1/3 percent of the total value. Code No. 05 applies to manufacturing plants, piers, wharves, bridges and structures not otherwise specifically rated. With 50 percent coinsurance, rates for this classification run from 18 cents to 30 cents, depending upon construction and presence or absence of sprinklers.

The memorandum also authorizes insuring aircraft owned by members of the Civil Air Patrol at the regular rate for pleasure aircraft or watercraft.

Memorandum No. 15 of War Damage Corporation, which became effective shortly before No. 16, revised the rules on registered mail coverage for money and securities, making it possible for an assured holding this property in a fiduciary capacity, such as trustee, executor, administrator, guardian, etc., to be insured separately from his individual capacity. It also stated that war savings bonds and treasury tax savings notes may be considered as being excluded from coverage on securities and also authorizes endorsement of the policy to cover shipments of money and securities made by a federal reserve bank or branch under the directions of the assured.

The ruling on fiduciaries clears up the question of whether a person or corporation, particularly a financial house, which acts as a fiduciary in addition to conducting its own business would have to report the values of all securities and money which it sends by registered mail or express and pay premiums on them. It also facilitates separate handling of fiduciary accounts.

The interpretation on war savings bonds and treasury tax savings notes is based upon the fact that these instruments are not negotiable and are redeemable only in the limited way set forth on the instruments. Most houses did not wish to insure and pay premiums on these instruments, but, under the definition of securities in application form No. 15, they were not clearly excluded.

The memorandum on federal reserve bank shipments points out that, if the endorsement is attached, all such shipments must be included in the report of values and in the limit of insurance.



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Authoritative Word on Rebuilding

(CONTINUED FROM PAGE 3)

are the classifications of structures used in order L-41 and the situation with regard to losses which can be repaired with materials on hand or which can be obtained without applying for priorities assistance:

1. Residences, including farm houses, housing not more than five families damaged or destroyed by fire, flood, tornado, earthquake, act of God or the public enemy: no restriction under L-41, no matter what the size of the loss. However, priorities assistance would be denied if the estimated cost of reconstruction exceeded \$6,000.

2. Farm buildings, exclusive of farm houses: no restrictions if the estimated cost of repairs is less than \$1,000. If more than \$1,000 repairs may proceed if the department of agriculture (i. e., the county agent, now known as the county war agent) determines that immediate reconstruction is essential to the agricultural program and provided that within two weeks of such determination form PD-200 is filed.

Schedule B Limitations

3. Buildings listed in Schedule B of L-41, which include structures mainly used for public or private entertainment, amusement or recreation (except children's playgrounds) occupancy by not more than five establishments selling or dispensing goods, merchandise; food or drink or providing services; used as a club, lodge, fraternity or sorority house, association, auditorium or assembly hall, if cost of repairs is estimated at less than \$200, no restrictions. If more than \$200 owner must, within five days of damage, or destruction, wire WPB, Empire State building, New York City, stating cause of damage, function of building, type of construction, why immediate reconstruction or restoration is necessary for the prosecution of the war or the protection of public health or safety, and the estimated cost of reconstruction. Within two weeks of this telegraphic notice form PD-200 must be filed.

4. Multiple residential buildings (more than five families) or other restricted construction not listed on schedule B above: no restriction if estimated cost of repairs is less than \$1,000. If \$1,000 or more follow procedure given above for schedule B building losses in excess of \$200.

Repairs to Industrial Buildings

5. Industrial buildings not specifically listed in schedule B; if estimated cost of repairs is less than \$5,000, no restrictions. If \$5,000 or more follow the procedure given for schedule B building losses in excess of \$200.

In each case there must be subtracted from the foregoing limits of \$200, \$1,000 or \$5,000 the cost of any construction work done during the previous 12 months, whether done because of fire damage or for any other reason.

Though it would not have to be considered in the usual type of fire loss there is an additional restriction under L-41 where the owner of a fire-damaged structure goes ahead without notifying the WPB because repairs can be completed with materials which are either on hand or can be obtained without applying for priorities assistance and the building houses five or fewer families or in the case of other types of structures the loss amounts to less than the specified figures given above. This additional restriction is that the completed job will not require the incorporation of any materials on the site or off, to supply electric, gas, water, steam, telephone or sewage disposal service. This particular restriction is designed to apply to new constructions, which order L-41 is principally designed to cover. While the wording makes it apply to reconstruction after fire the only practical effect would be to restrict a radical change, such as from

steam power to electric motor installations.

If priorities assistance is needed, even though it would not otherwise be necessary to notify the WPB, application for assistance is made on form PD-200, the same form that is used for notifying the WPB where such notification is required but no priority assistance is needed. Where specific priorities or assistance are required in any fire-damage repair job the WPB has to strike a balance among several factors, chief among which is, of course, the needs of the war effort. Balanced against the theoretical advisability of converting every conceivable item of material which might be used toward the prosecution of the war are such considerations as civilian health, safety, morale, convenience, and freedom from needless economic loss.

An important factor, of course, is the amount of priorities material that would be needed and the availability of substitutes. Granting of priorities would depend a good deal on the hardship to the public that would ensue if the damaged building were not replaced. For example, a hotel in a city experiencing a shortage of hotel accommodations could expect more favorable priorities treatment than could a hotel in a place like New York City where there is no shortage. If the elevator system of a large New York hotel were burned out it would probably have to stay that way for the duration even though it meant putting the hotel out of business, since the WPB would be unwilling to release the large amounts of copper and steel necessary for the reconstruction.

Minnesota Agents Seek Collision Rate Cut

(CONTINUED FROM PAGE 2)

this will no doubt continue, E. I. Peters, St. Paul manager of the Western Adjustment, said. "Because of the scarcity of goods and materials, we find it is not so difficult as in the past to get consignees to accept damaged shipments," he said. "Replacement of jewelry, furs and such articles usually specifically insured is now difficult and we find these items generally underinsured."

Adjustment Problems Reviewed

Mr. Peters explained various government rationing and ceiling regulations as they affect adjusting of losses. "The lack of material and labor and the rules and regulations appear in most instances a matter of misfortune for the owner rather than for the insurer except where loss of revenue and expense is insured," he said. "However, even where insurance is being carried, the policyholder unquestionably will require assistance to overcome his difficulty and discomfort. If we are to hold the confidence and support of the public through this emergency we must extend greater effort and assistance. Delays are always dangerous in loss adjustments and to relieve the situation we must find ways and means to supply the most competent and intelligent help from builders, engineers, repair concerns and merchandise experts. Adjusters and policyholders must make prompt decision as to procedure, utilizing substitutes and in agreeing upon cost of actual work according to outline.

"Policyholders have frequently stated they do not wish payment in money but would rather have the adjuster arrange for repairs and replacements. Obviously in some situations this will not be possible and adjustments must follow a practical course."

In a round table discussion on how agents can develop more business, medical payments, rental values, aviation lines, motor cargo, fidelity bonds, error and omissions forms, public liability and accident were suggested. Taking part were Ray Ostrander, Albert Lea; Dan Mills, Lake City; Jud Perry, Rochester; Lester Bickford, Owatonna;

Howard Williams, Mankato; Herb Knopp, Rochester; Merrill Rolfsen, Austin; Don Scott, Faribault; Blake Nevius, Winona.

Brief talks were made by President R. A. Thompson and Frank Preston, secretary of the Minnesota Association of Insurance Agents. Howard Williams explained the educational program of the state association and Clyde B. Helm, secretary Insurance Federation of Minnesota, spoke for that group. Francis McGovern, Rochester, president of the Southeastern Agents Regional, and George Parkos, New Prague, president of the Southern Minnesota Agents Regional, presided. Howard Zabel, Plainview, and Fred Degen, Faribault, told of their regional activities.

Urges Stockholders to Accept Offer of C. C. C.

(CONTINUED FROM PAGE 16)

controls Manufacturers Fire, so the assumption is that if Commercial Credit does get control of Manufacturers Casualty, it will also take over the fire company. If so that will give Commercial Credit an impressive list of insurance company subsidiaries since it already owns American Credit Indemnity, Pennsylvania Casualty, Calvert and Cavalier Fire.

President Fischer has also sent a message to stockholders stating that he favors the offer of Commercial Credit Company. He stated that he speaks "for a very substantial block of stock which is held by myself and my family." Most of the directors and officers have agreed to deposit their stock, he declared.

Treats Fire as Personality

To give home owners, business men and educators dramatically factual evidence of the tremendous losses the nation suffers from fire hazards and to outline easily followed fire prevention tips to help curtail these losses, Central Manufacturers' Mutual has published a booklet "Confessions of an Old Flame."

By giving fire an entertaining personality the booklet makes it possible to show vividly but briefly the dual character of fire. Fully 90 percent of the text presents historical "snapshots" of conflagrations which have scorched records of home, business, institutional and educational life. This treatment makes the story readable and at the same time drives home the deadly and costly aspects of fire hazards threatening a nation at war. In a few minutes reading, youngsters as well as adults receive a safety lesson from the simplicity of this message, and by following the book's 10 rules for fire prevention can eliminate many "home made" causes of fire.

Plan for Gas Rationing

LANSING, MICH. — Auto-Owners held a three-day school for field men, adjusters and underwriters to familiarize them with each others' work. Gas rationing will force rearrangement of service facilities and adjusting and sales work is to be divided into smaller zones.

Convention Dates

Nov. 29-Dec. 1, National Association of Insurance Commissioners, New York, Hotel Pennsylvania.

Nov. 30, National Fire Protection Association committee on farm fire protection and agricultural committee of National Fire Waste Council, Chicago, Palmer House.

Dec. 1, Fire Marshals Section, N.F.P.A., Chicago, Palmer House.

Dec. 2, Committee on firemen's training, N.F.P.A., Chicago, Palmer House.

Dec. 3, Insurance Advertising Conference, New York City, Hotel Roosevelt.

Dec. 8, midyear convention Arkansas Association of Insurance Agents, Little Rock, Hotel Marion.

Dec. 8-9, Insurance division American Management Association, Chicago, Drake Hotel.

Shortage of Oil Will Bring New Hazards

The National Fire Protection Association calls attention to the fact that the shortage of oil along the eastern seaboard will lead to various emergency methods of heating which should be carefully checked for possible fire hazards. Conversion of oil burning equipment to use coal may introduce the hazard of hot ashes, for example. Many fires are caused by ashes deposited in wooden barrels and other combustible containers. The N. F. P. A. declares that no one should convert from oil to coal without having suitable metal barrels and some other safe method of handling ashes.

London Reader Corrects Statement as to War Payments Policy

Alexander Behr of London has written to THE NATIONAL UNDERWRITER as follows:

"I read with great interest the details of the insurance provided by the War Damage Corporation in your issue of June 4th last, and I desire to correct a mistake in your reference to the British War Scheme. You state:

"Losses are payable under the American scheme within 60 days after the amount has been ascertained. This answers the prominent question of whether losses will be paid immediately in cash, or deferred for the duration of the war, as is done in England in all cases except where immediate reconstruction is in the public interest or the assured can show undue hardship."

"This is not quite correct as settlement after the war applies to only two of the three British schemes.

"As you may be aware we have here three distinct schemes of insurance against war damage, which briefly stated are:

"(1) The commodity insurance scheme (war damage insurance act 1939 part II) which insures goods for sale or supply.

"(2) The business scheme (war damage act 1941 part II) covering goods owned or used in the course of business, but which are not for sale or supply.

"(3) The private chattels scheme (war damage act 1941 part II) which insures the private property of individuals as distinct from firms.

"Under the last two schemes only is the settlement of claims deferred until after the war (except in the cases mentioned by you, and also where the amount is under £25); but, under the commodity scheme payment is made immediately after the loss has been proved, and I may add that large sums have already been paid to traders by the British Treasury for claims under this scheme."

E. C. Sweetland, retired member of the Chicago agency of George Herrmann & Co., who resides at the Georgian Hotel, Evanston, Ill., is leaving for Orlando, Fla., next week to spend the winter.

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Revenaugh Chicago Head Interstate Business Men's

C. S. Revenaugh, accident and health department manager of Engelhard & Co., Chicago agency, has resigned and been appointed by Interstate Business Men's Accident of Des Moines as Chicago manager. He is arranging for space, which probably will be in the Insurance Exchange building, and soon will open a branch office. The company has operated in downstate Illinois but not heretofore in Chicago.

Mr. Revenaugh has had 18 years' insurance experience, starting with the Kemper companies. Later he was supervisor of the disability department of Continental Casualty at the home office, then accident and health manager of Maryland Casualty at Chicago.

Boiler Loss Is Not Covered Because Due to Fire

Employers Liability has been upheld by the Ohio court of appeals in denying liability under a \$10,000 steam boiler policy for destruction of a boiler on May 2, 1939, the court finding that fire was the proximate and probably the sole cause of the damage to the boiler.

The assured contended that the damage was caused by a sudden and accidental tearing asunder of the boiler by pressure of steam or water therein. It was a 250 horsepower tubular boiler.

All the experts agree that so long as the system was filled with water it could not burn up and the court came to the conclusion that the primary cause of the accident was the failure of the proper supply of water with the stoker operating. The engineer gave testimony that on the day of the accident he had shut off the water and the stoker at the closing hour of the plant but there was conclusive proof that the stoker operated for several hours after closing time.

After the water was out of the system what under working conditions would be a normal heat would become a melting heat.

After considering the entire record in its most favorable light to the assured, the court stated it is constrained to the view that fire was the proximate and probably the sole cause of the damage to the boiler.

The second question presented is whether the exemption of "fire" in the policy should be construed to mean only fire originating outside of the boiler and not within. The court stated that the assured's contention that the explosion in the boiler by reason of fire is not applicable because of a friendly fire, is not well taken. The fire was the proximate cause of all damages. The case was Holmes, trustee, etc., vs. Employers Liability.

A. & H. Club Christmas Dinner

NEW YORK—A Christmas dinner in keeping with the curtailed entertainment and social programs because of the war will be held by the Accident & Health Club of New York Dec. 10 at the George Washington hotel. In the past, the club's Christmas party has been one of the highlights of that season. F. G. Closs, Metropolitan Life, 1 Madison avenue, is in charge of reservations. Preceding the dinner, a business meeting will be held at 6 o'clock for the purpose of electing three members to serve on the executive committee in 1943.

Bureau of the Census Report

The Bureau of the Census reports that for the week ended Nov. 14, the number of automobile fatalities was 28.5 percent below that for the corresponding week of 1941 and the total for the first 45 weeks of this year was 16 percent below the same period last year and 9.2 percent below the three year median, 1939-1941.

For financial and operating reports on all fire companies get the **Argus Fire Chart**, \$1 singly from National Underwriter.

Texas Commission Hears Views on Auto Rates

AUSTIN, TEX.—The hearing before the Texas insurance commission on bodily injury and property damage rates for private passenger cars, which went in effect Nov. 22, and rates to be promulgated for commercial vehicles, developed discussions that led into the fields of speculation and uncertainty. There was a difference of opinion as to whether or not hazards would be increased or decreased by gasoline rationing and reduced speeds on the highways.

The not unusual contention in Texas that only pure premiums without acquisition costs included in expense factors should be promulgated by the board, with each company adding its own agency commission factor, did not receive serious consideration since the board is authorized to promulgate just, reasonable and adequate rates after obtaining all the necessary statistical information available.

Factors That Increase Hazards

Company representatives contended that the board must fix the final rate and not merely a part. The advanced age of commercial vehicle drivers who will work longer hours than their physical condition justifies, the necessity of keeping the reduced number of vehicles in service continuously with capacity loads at all times, the rapid turnover in drivers due to the national emergency reducing the control of owners over drivers and making it necessary to employ persons considered unemployable in normal peace times, were cited as conditions increasing all automobile hazards.

The fire and casualty committee of the Texas Association of Insurance Agents expressed confidence in the board's ability and willingness to promulgate adequate and proper rates after a careful study of all information filed by company representatives, local agents and individuals.

"Exploding of Truck" Term in Limited Form Construed

Industrial Casualty has been held liable by the Indiana appellate court under a limited accident policy for injuries suffered by an assured as a result of an explosion of gasoline while it was being poured from a container into the gasoline tank of the truck. The policy insured Robert Alspaugh of Shirley, Ind., among other things for injuries caused by the burning or exploding of automobile, taxicab, truck or bus.

Alspaugh was sitting in the cab of his truck repairing the emergency brake when his 10-year-old son started to pour gasoline from a container into the gasoline tank which was located under that part of the driver's seat not occupied by Alspaugh. There was a sudden flash of fire from the gasoline and Alspaugh was severely burned.

The truck did not burn and Alspaugh's injuries did not result from the burning of the truck. Hence in order to recover his injuries must have resulted from the explosion of the truck. Industrial Casualty contended that the explosion was one of gasoline vapor and not an exploding of a truck.

The court stated that by specifically including the provision "exploding of a truck" Industrial Casualty intended to include something. The thing about a truck which explodes is the gasoline and gasoline is necessary to the function of the truck and is an essential part of the operation of the truck. The expression, "exploding of a truck" cannot mean the exploding of the whole truck, for a truck as a whole by and of itself does not explode. The expression must be interpreted as covering the exploding of a part of the truck and the gasoline being an essential part in the operation of the truck it follows that an explosion of the gasoline vapor is included within the terms of the policy, the court stated.

Ben R. Turner New Head of Indiana Federation

INDIANAPOLIS—At the annual meeting of the Insurance Federation of Indiana held Monday, Ben R. Turner, Jr., manager Fidelity & Deposit and American Bonding, was elected president, succeeding Harlan J. Hadley, of Harlan & Mahoney, Indianapolis, who had served for two years. Mr. Turner has been vice-president and is closely in touch with the activities of the organization. He is especially qualified to head the federation during the coming year as the Indiana legislature will be in session for two months, beginning in January, and Mr. Turner is acquainted with the issues that will be coming up. Mr. Hadley is credited with having served very acceptably during the two years he was in office, the legislature having been in session during his first term.

Family Car Better Risk with Boys in Uniform

With such a large proportion of youths and young men in uniform, the problem to insurers of the hazard of youngsters in the household driving the parents' car is a great deal less than it was in peace times. The problem of youngsters driving the family car was getting to be one of the most trying underwriting factors in automobile insurance and some of the companies were taking quite drastic action in the way of canceling insurance where there was a driver in the household less than 21 years of age. The inspection companies were making particular inquiry on this point. Now a large portion of the youths who were causing highway accidents are in uniform and now that the draft age is reduced to 18 that will remove even a larger number of such drivers. Of course there are young girls at home but they are a great deal less of a problem behind the wheel than is the average boy.

Can't Buy War Cover on Schools

CINCINNATI—A board of education in Ohio has no right to purchase war damage insurance for its schools, or other properties, according to a ruling made by Prosecutor Carson Hoy of Hamilton county. The opinion was given in answer to a request by a clerk of the Madeira Village School District in Hamilton county. Hoy and his assistant, Edward Strasser, wrote: "We know of no legal authority vested in your board authorizing the expenditure of public funds for the type of insurance referred to as war damage insurance." Boards of education and municipalities cannot purchase liability insurance under the Ohio law, it is said, though certain other types of insurance may be purchased such as boiler damage.

Collects 40 Tons of Scrap

About 40 tons of metal scrap has been collected by Travelers from basements, roofs and storerooms at the home office in Hartford for the united scrap campaign conducted by newspapers. The largest single items were two 12-ton steel towers that previously supported the antennae of Station WTIC which have not been used since 1929, when a 50,000-watt station was erected on Talcott Mountain, 10 miles from Hartford. Eight tons of bronze collected included grill work from banks connected with Travelers, lighting fixtures used years ago and equipment from cafeterias. Among miscellaneous materials were key ring tags use in connection with identification insurance granted with accident policies, small replicas of home office buildings used as souvenirs for an agents' convention, steam gauges from the heating system and metal signs used by Travelers Indemnity to show elevators had been inspected.

Gives Tips on Converting Furnaces for Coal Use

NEW YORK—Suggestions for converting oil burning furnaces so they can be used safely with coal or coke as fuel, and recommendations for the proper firing of a coal burning furnace are contained in a bulletin which is being distributed by the committee on fire prevention and engineering standards of the National Board.

Because of the shortage of fuel oil many home owners are likely to have to convert their furnaces to the use of coal or coke, and the National Board cautions that such conversion should be done only by qualified mechanics. Since many people will be using coal for the first time, they are urged to familiarize themselves with the correct way to place the coal in the fire box.

A number of conversion outfits are on the market which can be placed in the fire box of a furnace without completely dismantling brick work or other special appliances which were inserted for the proper burning of oil. This conversion equipment will, in most cases, permit a certain amount of automatic control of the heating devices through the use of the blower of the oil burner to force air through the coal on the grate.

"With many of the conversion installations," the bulletin continues, "particularly where the oil burner is left in and the blower is used there may be some difficulty in removing ashes. Proper ash removal is important; if ashes are allowed to accumulate under the grate there is danger of burning out the grate.

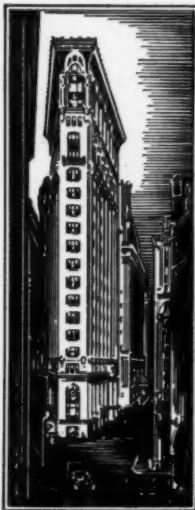
"Where the oil burner is left in place, the oil line valve at the tank should be closed. The oil pump on the burner must be uncoupled or removed; if removed the oil lines should be plugged. It would be possible to remove the nozzle and plug the opening. A jumper must be installed on the flame-failure cut-out switch, and a tag placed on the combustion control to call attention to the essential need of removing this jumper before oil is again used. Disconnect the ignition lead at the combustion control. The work should be done by qualified mechanics familiar with domestic oil burner operation."

Jones Against Cigarettes on Job

An appeal to all employees in Illinois war plants not to smoke around them was made by Director Paul F. Jones. It is their patriotic duty not to contribute to this hazard, even though it may seem to them the buildings are fireproof, he said. There is always plenty of flammable material around that could start a fire that would wreck the plant. "Matches and smoking have caused more fires in the past 10 years than any other single known cause of fires. A building wrecked by fire needs no employees." If the patriotic appeal is not effective, he said, courts can impose heavy fines on employees to enforce the "no smoking" laws.

Forty-eight Hour Proposal

Some of the government authorities have proposed that government workers go on a 48-hour a week schedule instead of 40 hours and that they be paid time and a half for each additional hour. This would seem to mean an increase of 30 percent in wages. The government states that it was simply setting forth this as a principle for private enterprises to follow. Offices are being strained materially these days on account of the personnel problem. They have lost a number of employees and it has been found necessary to stretch the hours of work to some extent. However, they are not prepared for a 48-hour week with extra overtime pay. It has been found necessary to stagger work at offices, make shifts here and there and resort to other devices to get the routine duties dispatched.



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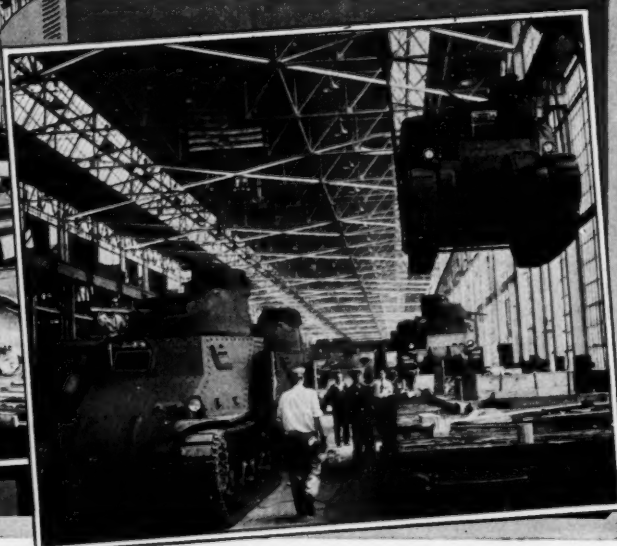


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